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THE JERUSALEM POST

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Wall Street
Dow sheds
four points

Page 9



The widow of Mirza Babatzada, who was slain in the Istanbul synagogue last Shabbat, is comforted by her family as they proceed to the cemetery on the Mt. of Olives in Jerusalem yesterday for his funeral. (Isaac Harari)

Istanbul massacre

Two Israeli victims buried here

By HAIM SHAPIRO
Jerusalem Post Reporter

"With vengeance comes consolation," Religious Affairs Minister Yosef Burg told mourners in Jerusalem yesterday at the funeral of Mirza Babatzada, one of the two Israelis killed in the Istanbul synagogue massacre on Shabbat.

Burg was speaking in front of the yeshiva of Rabbi Kadouri, who is considered to be the greatest of the Sephardic mystics in the city.

Burg noted that he had been slated to go to the funeral in Istanbul by the government. His visit was cancelled after the Turkish government made it clear it wanted no Israeli political representatives at the funeral.

The government of Israel, Burg promised, would do everything possible to "eradicate the evil" behind the attack on innocent victims

praying in the synagogue. "I do not have to say who and where they are," he added.

As neighbors gathered to listen on stairways and balconies which lined the narrow street in the Rome-ma neighbourhood where the yeshiva is located, the deceased's son Mordechai said that his father had intended to return home on the Friday before the massacre, but he had not felt well and decided to stay on.

"My father was not a rabbi, but he was a learned man," the son said. Since his father's death, Mordechai Babatzada recounted, hundreds of non-Jewish acquaintances had sent condolence messages.

Sephardi Chief Rabbi Mordechai Eliahu, who is to attend the state funeral in Istanbul for the 20 Turkish Jews killed in the attack, said at the yeshiva that "we mourn for every

Jew who is killed, but the grief is greater when the murder takes place in a synagogue, during prayers, on the holy Sabbath."

It is thus that the killers showed their inhumanity, by killing people at prayer, he stressed. "God will avenge their blood," he promised.

Earlier, at the Givat Shaul funeral parlour, Burg told mourners that he had sent a condolence cable to Turkey, adding that he had left out any reference to Israel, Jerusalem or Zion, in an effort to eradicate any hint that the cable contained a political message.

The deceased, who was 82, was buried on the Mt. of Olives.

Later in the day, the funeral of Raphael Nissima, 62, was held in Jerusalem's Givat Shaul cemetery, with the participation of Labour and Social Affairs Minister Moshe Kat-

'Accord reached on Taba arbiters'

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Israel and Egypt have agreed on the three international arbitrators who will be asked to resolve the Taba border dispute, authoritative sources said here yesterday.

The sources did not identify the arbitrators, but noted that they were "legal types — not politicians."

U.S. officials said that it remains doubtful that the proposed Peres-Mubarak summit would take place this week. The Americans left open the possibility, however, that the summit would occur either at the end of this month or early next month.

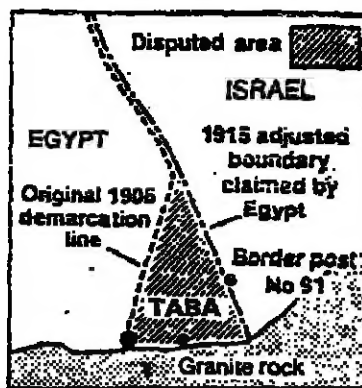
Peres is due in Washington on September 15 for talks with President Reagan. He is to fly to Canada the next day before returning to New York on September 19, and is to leave for Israel two days later.

U.S. and Israeli sources yesterday said that Peres is attempting to arrange a meeting in Washington or New York for himself and Soviet Foreign Minister Eduard Shevardnadze, who is due in the U.S. around the same time.

Shevardnadze is scheduled to meet with Secretary of State George Shultz on September 19-20. But that meeting is now in some doubt because of the Soviet Union's recent arrest of American journalist Nicholas Daniloff (see page 3).

Regarding the Peres-Mubarak summit, U.S. officials said yesterday there were conflicting views within the Egyptian government. Some Egyptian officials, led by Defence Minister Abdel Halim Abu Ghazala, favour an early summit, while others

(Continued on back page)



Marking Pt. 91 cause of dispute

By BENNY MORRIS

"Point 91" on the northern edge of the disputed Taba zone has been for the past few days the crux of the dispute bedevilling the plans to stage this week's summit.

As part of the *compromis*, the document outlining the terms of reference of arbitration for settling the dispute, the two sides agreed to include an annex, in the form of a map (with appended aerial photographs) in which the conflicting border claims will be marked. The map is to be based on demarcation on the ground with markers of the conflicting claims. The markers are photographed from the air and then translated onto a map.

During the past fortnight, the placement of all but one of the markers, defining each country's claims, was carried out smoothly and the markers were photographed as agreed.

But "Point 91" created difficulties.

The Israeli team argues that Israel is uncertain where the border marker demarcating this point should be sited, but says that it lies roughly

(Continued on back page)

Another meeting today

Summit still on if final Taba issue resolved

By HIRSH GOODMAN and YEHUDA LITANI
Jerusalem Post Correspondents

CAIRO. — Israeli and Egyptian negotiators ended over 12 hours of talks last night with a decision to meet again today at 9 a.m. for yet another attempt to resolve the Taba crisis.

The fact that the Israeli delegation put off their previously scheduled departure indicated that the way might still be open to hold the Peres-Mubarak summit this week, and there is guarded optimism in both camps that the summit will go ahead.

Both sides have come under heavy pressure from the Americans to wrap up the talks by today and to hold the summit this week, prior to trips to Washington by Premier Peres and President Mubarak later this month.

Egyptian Foreign Minister Ahmed Esmat Abdul Maguid said last night that "we are still divided on technical problems, but if we finish (today) the summit can take place."

Maguid told reporters that there are "new ideas from the delegations and the talks had been positive and cordial."

"If (the arbitration agreement) is signed tomorrow, then (the summit) could be right after the agreement," he added.

Today's talks will open after intensive contact between both delegations and their respective govern-

ments. Yesterday, both Israeli negotiators Avraham Tamir and David Kimche were in constant contact with Peres and Vice Premier Shamir, respectively.

As they left the Egyptian Foreign Ministry last night, the exhausted negotiators would not comment publicly.

Though the delegations have virtually settled the question of the arbitrators for the Taba dispute, the technical problem of marking the border still remains. It is on this point that the summit, scheduled for tomorrow, now hangs.

Last night's meeting with the Egyptians commenced at 6 p.m. under a heavy shadow and a threat from Peres to order the delegation home if agreement was not reached. The Israelis agreed to stay, however, after talks with Mubarak's political adviser Osama al-Baz. Although he is reported to be cautious about holding the summit now, he indicated that he would agree to the solutions being proposed.

The Israeli delegation met with al-Baz and Gen. Farouk Labib, the head of the military delegation, separately for an hour last night.

Whether the summit will take place this week is still an open question. Both Israeli and Egyptian officials said that despite the short time remaining it is still possible for the two leaders to meet this week. Maguid, however, said that if the summit is postponed, "it would not

(Continued on back page)

Turks: only two gunmen in attack

ISTANBUL. — Turkish inspectors have determined that only two Arabic-speaking gunmen participated in the massacre of 22 Jews during prayers on Saturday, state prosecutor Aytekin Gani Ataman said here yesterday.

The main issues still to be resolved, Ataman stated, were who the gunmen were, to which organization they belonged and how they had brought their weapons to Turkey.

"Ballistics tests and testimony allow us to be categorical: the commando was made up of two men, who both died during the attack," Ataman said, adding that two Polish-made Scorpio machine pistols found in the synagogue after the attack shot the 112 bullets whose cartridge cases also were found.

Ataman also quoted Gabriel Saul, 17, a worshipper whose father was killed in the attack, as saying he heard only two assailants, both of whom were speaking in Arabic, throughout the 10-15 minute ordeal. The young man escaped death by throwing himself under a row of wooden seats as soon as the gunfire broke out.

The prosecutor said the attackers probably died when a hand grenade exploded as one of them was about to throw it, ripping his body apart and mutilating the face of his accomplice.

Police yesterday released compo-

sition pictures of the gunmen and appealed to the public for help in identifying them.

Anatolia news agency said the pictures were produced from their

Synagogue security meeting in Paris

PARIS (AP). — Jewish leaders from 16 Western European nations plan to meet here tomorrow to coordinate appeals for greater security at synagogues and other Jewish institutions following the Istanbul massacre.

Before the attack, there was already "quite a bit of nervousness with the High Holydays coming up in early October," Elan Steinberg, American executive secretary of the World Jewish Congress said.

The Congress expanded a previously planned small meeting to a plenary session of heads of European Jewish communities, with WJC President Edgar Bronfman flying in to chair the meeting.

shattered remains and from the eyewitness description of Rafi Saul. Police had earlier released a photograph of one of the attackers showing his face. The other was too badly mutilated to be recognizable.

The semi-official Anatolian news agency quoted Interior Minister Yildirim Akbulut as saying: "Security forces and experts are continuing their work... it is almost certain that the attack on the synagogue was carried out by two terrorists. The evidence points to this." Some press reports had earlier suggested there were more involved.

The authorities questioned many Arab and Iranian nationals after the attack but none were detained.

Meanwhile, the rabbinate here said that funeral services for the massacred Jews would be held today at the site of the massacre, the Neve Shalom synagogue.

Turkey had earlier announced that it denied an Israeli request to send a high-ranking official to the funeral, Religious Affairs Minister Yusef Burg.

Foreign Minister Vahit Halefoglu said in the daily *Milliyet* yesterday that he did not want Israel to profit politically from the affair.

The Israeli charge d'affaires in Ankara, Yehuda Milo, said that Israel had wanted to send a high-ranking official and that the two governments had agreed that Israel should be represented by its Sephardi Chief Rabbi Mordechai Eliahu.

The Turkish government will be represented at the funeral by Interior Minister Yildirim Akbulut and Minister of State Kazim Oksay.

Herzog message

President Chaim Herzog sent a condolence message to Turkish President Kenan Evren endorsing the statements of condemnation which he and Turkish government members had made following the synagogue massacre.

Herzog expressed the hope that the Turkish statements "may spur all civilized nations to act to free mankind from the scourge of international terrorism."

Bomb alert at Paris WJC office

PARIS (AP). — Two bomb alerts, including one at the Paris offices of the World Jewish Congress, were reported yesterday, a day after a bomb exploded in a post office at city hall, killing one person and injuring 19.

Police cleared the area around the Champs Elysees office of the WJC yesterday afternoon and evacuated the building after an anonymous caller telephoned the organization

saying a bomb had been placed in the area.

In the other alert, subway traffic was halted on the line between Pont de Neuilly and Chateau de Vincennes when a passenger found a suspect package. The package turned out to contain nothing dangerous.

After Monday's bombing at city hall, Premier Jacques Chirac called on the public to be vigilant in the war against terrorism and to inform police of suspect conduct or objects.

Japan joins 'Star Wars' research

TOKYO. — Japanese industry wants guarantees that it will be able to commercially exploit the results of U.S. Strategic Defence Initiative (SDI) research it takes part in, Japanese officials said here yesterday.

Otherwise, industry reacted favourably to Japan's formal decision yesterday to begin talks with the U.S. about setting up an overall framework for its participation in the research phase of the space-based anti-nuclear defence system, popularly known as "star wars."

"We have the utmost interest in the SDI programme, but for private companies what does matter is how the outcome of technological developments can be utilized effectively," said Sugichiro Watanabe, president of Toshiba Corp.

Tadahiro Sekimoto, president of NEC, said his company would study closely the results of discussions between the U.S. and Japan, "including ownership of the results," and would study the merits of participation "on a case-by-case basis."

Hidchiro Konno, director of the Ministry of International Trade and Industry's aircraft and ordnance division, echoed the sentiments of the industrialists.

Japan follows Israel, Britain and West Germany in entering into research for the SDI.

Japan now will begin talks with the U.S. on the flow of information, protection of classified information and how to deal with research from the SDI programme, a senior Foreign Ministry official said.

The ministry official said that

Japan could take part in directed-energy or kinetic-energy weapons research, but its non-nuclear principles prohibiting the production and possession of nuclear arms would keep it from participating in nuclear weapons research.

U.S. Defence Secretary Caspar Weinberger formally requested Japan's participation in March 1985, and three Japanese delegations to study SDI have visited Washington.

Japanese participation is controversial because of a 1969 Diet (parliament) pledge that Japan would use outer space only for peaceful purposes.

SDI supporters say research does not necessarily mean deployment of weapons, and that Japan would benefit from technological developments in the programme. (AFP, AP)

Legal experts agitated over Shin Bet attorneys

By MENACHEM SHALEV
For The Jerusalem Post

Israel's legal community is up in arms over the continued service of the two General Security Service (Shin Bet) attorneys who received presidential pardons for their roles in the Shin Bet affair.

Twenty-five of the country's leading legal scholars have signed a petition calling on Prime Minister Peres immediately to remove from office the two attorneys who have confessed to "systematically concealing evidence and deceiving investigators" in the killing of the two captured bus hijackers in 1984 and the subsequent cover-up of the affair.

A Knesset debate had been scheduled for tomorrow on the attorneys' continued service and reported promotion of the senior Shin Bet official who misled the Zorea investigating commission of which he was a member.

The debate, however, was cancelled yesterday. Labour Party MKs, under pressure from Labour caucus chairman Rafi Edri, withdrew their signatures endorsing the debate, thus rendering it short of the 20 signatures needed for a debate while the Knesset is in recess.

A delegation representing the protesting members of the law faculties of the Hebrew University and Tel Aviv University are to meet next week with Attorney-General Yosef Harish. Israel Bar Chairman Menachem Berger and Knesset Law Committee Chairman Eli Kulat to drum up support for the ouster of the two attorneys.

The academicians' petition was presented to Peres on Sunday, but was not made public until yesterday. Harish and Justice Minister Avra-

ham Shamir undertook at the meeting to try to work out an arrangement which would renew a semblance of cooperation between the fending State Attorney's office and the GSS legal department.

Throughout yesterday, however, Harish did not revoke former attorney-general Yitzhak Zamir's order of a few months ago not to work with the GSS legal arm as long as the two tainted Shin Bet attorneys remain at their posts.

The Knesset legal affairs committee is to meet in Tel Aviv today to discuss the rift between the State Attorney's office and the GSS.

Meanwhile, the Shin Bet investigation itself appears deadlocked, as investigators are unable to reconcile the contradictory testimonies of security service officers with those of PM Peres and Vice Premier Shamir.

The police investigation is evidently stalemated due to Peres' and Shamir's denial of testimony given by former GSS chief Avraham Shalom and other Shin Bet officials who insist that both Peres and Shamir were well aware of the killings and cover-up before October 29, 1985, the day former deputy GSS chief Reuven Hazak came to Peres with the whole story.

Shalom reportedly told investigators that when he first broached the subject with Peres in September, 1984 — when Peres had just taken office — Peres had cut him short, saying he had heard about the whole matter from Shamir.

The police are wary of submitting Shalom to a polygraph test; that would necessitate a similar step for both Peres and Shamir, something they are hesitant to pursue.

The plan, which was prepared by the Treasury, is expected to shape government policy for the next several years.

Nissim stressed that the plan would be introduced gradually and would be subject to public debate, but he noted that with the government's borrowing requirements at a relatively low level, the time is ideal to begin implementing the reforms. (Details on page 9)

Capital-market reform

Post Economic Staff

An interministerial committee yesterday approved a number of major capital-market reforms, presented in a surprise move by Finance Minister Nissim.

The wide-ranging plan seeks to sharply reduce the government's role in financial markets and to encourage private business to raise capital without state intervention.

The plan, which was prepared by the Treasury, is expected to shape government policy for the next several years.

Nissim stressed that the plan would be introduced gradually and would be subject to public debate, but he noted that with the government's borrowing requirements at a relatively low level, the time is ideal to begin implementing the reforms. (Details on page 9)

Jihad kidnaps American

BEIRUT (Reuters). — The pro-Iranian Islamic Jihad (Holy War) group said it had abducted an American school director here yesterday, the first kidnapping of a U.S. citizen in Lebanon in 15 months.

A telephone caller told an international news agency that Frank Reed, 54, was "a new agent for the American intelligence."

Several gunmen in a Volvo car seized Reed, director of the elementary department of the Lebanese International School, in West Beirut, only 300 metres from

the headquarters of Syrian observers.

This was the first kidnapping of a foreigner since hundreds of Syrian troops were deployed in the Moslem sector in July.

A woman, who identified herself as a family friend, told the Associated Press that Syrian-born Mrs. Sahmija Reed was "too upset to talk about what has happened."

An academic colleague said Reed had converted to Islam in order to marry his former Syrian fiancée.



Spanish Foreign Minister Francisco Fernandez Ordonez (right) lays a wreath yesterday at Yad Vashem on the first day of his visit to Israel. (Rahamim Israeli)

Girl survivor of hijacked Pan Am plane charges:

Crew's desertion sparked shooting by gunmen

WIESBADEN (AP). — A 16-year-old American girl wounded in the Pan Am hijacking said yesterday she believes the gunmen's inability to understand English and the cockpit crew's abandonment of the plane helped trigger the massacre.

Nadiya Hussain, her eyes filled momentarily with tears, also said she would simply ask the Palestinian gunmen, "Why did you do that?" if she could meet them face to face.

Hussain, an American of Pakistani descent who now lives in suburban New York City, appeared at a press conference at a military base near the U.S. Air Force hospital in Wiesbaden, where she is a patient.

Eight other American survivors remain hospitalized in West Germany, including a 15-year-old boy in critical condition with a bullet wound in his head.

"When the lights went out, people tried to tell them the power was off, but they couldn't understand English, and they started shooting," Hussain said. Only one of the gunmen could understand some English, she added.

"That's when I realized the captain wasn't on board. If he had been on board he could have calmed them. They (the hijackers) thought the (Pakistani) commandos were coming on board so they started shooting," she told the news conference.

The gunmen began shooting indiscriminately and throwing hand grenades after the lights went out in the aircraft due to a power failure. At least 18 people were killed then, and another passenger had been killed earlier. Pakistani commandos gained control of the plane about a half hour after the shooting spree.

The cockpit crew of three escaped through a

hatch shortly after the four Palestinians seized the plane. Pan Am officials have strongly defended the crew's abandonment as the best way to thwart the hijacker's goals.

During the news conference, Hussain appeared with her right arm in a sling because of a bullet wound. She also had a long wound across one side of her face that appeared to be either from a bullet or shrapnel.

Four Palestinian hijackers held nearly 400 passengers hostage for more than 16 hours in Karachi on Friday, then suddenly opened fire with automatic weapons and grenades, shooting at random.

At least 19 people were killed in the hijacking and more than 100 were injured. Pakistani officials have said all four hijackers were arrested and an investigation into the hijacking continues.

The weather at major Swissair destinations

	C	F	C	F	
AMSTERDAM	13	55	16	61	Clear
BRUSSELS	13	55	17	63	Clear
BELLEVILLE	14	57	17	63	Clear
CHICAGO	5	41	14	57	Clear
COPENHAGEN	5	41	14	57	Clear
FRANKFURT	5	41	14	57	Clear
GENEVA	10	50	23	73	Cloudy
HAMBURG	9	48	13	55	Cloudy
HONOLULU	27	81	30	86	Clear
LOS ANGELES	7	45	23	73	Clear
LONDON	10	50	23	73	Cloudy
MADRID	5	41	17	63	Clear
MONTREAL	5	41	16	61	Cloudy
NEW YORK	12	54	23	73	Cloudy
PARIS	5	41	16	61	Cloudy
RIO DE JANEIRO	19	66	23	73	Clear
SAO PAULO	14	57	24	75	Clear
STOCKHOLM	5	41	13	55	Clear
TOKYO	27	81	30	86	Clear
TORONTO	12	54	23	73	Cloudy
WASH. DC	12	54	23	73	Cloudy
ZURICH	8	46	28	82	Cloudy

*For the latest weather conditions contact Swissair.

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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	43	18-26	26
Golan	36	19-28	28
Nahariya	35	18-28	29
Safed	41	16-25	26
Haifa Port	41	16-25	26
Tiberias	34	24-35	35
Nazareth	45	20-28	28
Afula	46	21-31	31
Shimon	40	20-26	26
Tel Aviv	58	21-30	30
B-G Airport	59	21-30	30
Jericho	36	22-36	36
Gaza	45	22-36	36
Beer-Sheva	41	20-31	32
Eilat	33	26-36	37

Appeal to Nissim on police pay

By YORAM GAZIT
For The Jerusalem Post
Police Minister Haim Bar-Lev and Police Inspector David Kraus met last night with Finance Minister Nissim in a bid to resolve the problem of increasing resignations from the police force because of dissatisfaction with salaries. In the last six months more than 600 policemen have resigned from the force.

Those who left had worked in essential fields and had over five years' experience. Few recruits were available to replace them. Nissim was told.

"We cannot allow this situation to deteriorate further," said Kraus, "because it will damage the force, and will eventually hurt the public."

Swiss consider the Lavi jet

GENEVA (JTA). - Israel's Lavi fighter is one of the five planes that the Swiss Air Force is considering in its search to replace the Mirage 3, the Swiss ministry of defence said yesterday.

Also under consideration are France's Mirage 2000; Sweden's JAS-39; and the American F-16, Hornet and Tigerhawk F-20.

The Swiss said they will test the planes in their countries of production, then choose two to be tested in Swiss territory. They have 57 Mirage 3 planes.

Border Police chief hurt in crash

TEL AVIV. - The commander of the Border Police and his wife were slightly injured yesterday afternoon when their car collided with a horse with a wagon. The horse suffered a broken leg.

Nitzav Pinhas Shahar was driving near the corner of Moshe Sharett and Herzog streets in Azur when the accident occurred.

The wagon was driven by a 32-year-old man from Gaza.

Obesity conference

TEL AVIV. - Six hundred physicians, nutritionists and researchers from all over the world will be participating in the fifth annual International Conference on Obesity, to be held in Jerusalem at the beginning of next week.

CARNAGE

(Continued from Page One)
sav and Interior Minister Yitzhak Peretz. Nissima, who had been an emissary of the Habad hassidim in Istanbul, was a friend of Babatzada.

Members of Nissima's family told reporters that there had been a delay in bringing the bodies of the two victims back to Israel because of bureaucratic difficulties in Turkey.

Because they were unable to have the bodies put on an El Al flight from Istanbul on Monday, the families finally leased a small passenger plane to convey the remains.

Walter Ruby adds from New York: Defence Minister Rabin yesterday criticized Turkey for not allowing a representative of Israel to attend the funeral.

In remarks to the press after taking part in a memorial service at the Spanish and Portuguese synagogue here, for the victims of the Istanbul massacre, Rabin commented, "I can express only disappointment that permission was not given to a representative of the Israeli government, with the rank of a member of the cabinet, to attend the funeral ceremony." Rabin's remark was said to be the first direct criticism of Turkey by an Israeli government official.

HOME AND FOREIGN NEWS

University chiefs stick by student deposit plan

By BERNARD JOSEPHS
Jerusalem Post Reporter
The country's university heads last night decided to go ahead with their controversial plan to charge students a deposit at the start of the academic year despite a plea by Prime Minister Peres that they drop it.

A spokesman for The Committee of University Presidents said they had considered the premier's appeal, made at a meeting on Monday, but felt there was no other way to make up for \$10 million budget cut ordered by the Treasury.

The presidents also said that letters sent to 14,000 people due to enter university this November, telling them that their places are no longer guaranteed, would not be withdrawn.

Only if the study group of Treasury and Committee for Higher Education officials examining the universities' financial crisis comes up with fresh ideas will they reconsider the deposit the president said.

The scheme, to charge students NIS 1,500 at the start of the academic year to be returned only at the end of their studies, has sparked a major row with the students, who have threatened to boycott lectures rather than pay.

Peres said Monday at his meeting with university presidents' chairman Prof. Michael Albeck, Education Minister Navon, Finance Minister Nissim and Science Minister Patai, that he was deeply concerned about the state of higher education.

He pointed to the growing number of bright young academics who are going abroad, and called on the presidents to "turn to the government and not to the students to solve their problems."

Peres was backed by Navon and Patai. But Nissim said that it was the wrong time for the universities to ask for extra help. If his ministry gave in to them, other sectors would follow with their own demands, he said.

The university chiefs are demanding not only that the \$10m. cut be dropped, but that their budgets be increased \$50m. to make up for cuts dating back to 1973.

Freed terrorist dies in blast

By JOEL GREENBERG
Jerusalem Post Reporter
A Palestinian freed in last year's prisoner exchange for three Israeli prisoners of war was killed last week in an explosion in the Gaza Strip, military sources revealed yesterday.

The sources said Hassan Abdel Kader Alayan, 30, was killed last Thursday, apparently while handling a bomb in an orange grove. His family said he had stepped on a booby trap while working in the orchard with his mother, according to Palestinian sources.

Security sources said Gaza police, including Jews and Arabs, were attacked by Alayan's family and villagers when they came to remove the body.

Palestinian sources said Alayan's sister was shot in the leg during the clash when she tried to take her brother's body for burial. The security sources confirmed she had been treated in hospital for leg wounds.

Alayan's death was the latest in a series of fatal incidents attributed by security sources to Palestinians blowing themselves up. The "Committee to Confront the Iron Fist" on Monday called for an international inquiry into the deaths of three former Palestinian prisoners this year who died in similar circumstances.

Alayan had served six years of a 20-year sentence for planting bombs near the Tel Aviv Country Club and in the Gaza Strip. Security sources said his uncle was killed in near Ramallah in a similar explosion last March.

LOTTO. - The lucky numbers in yesterday's Lotto draw are 29, 36, 25, 23, 17 and the additional number is 27.

Spanish FM meets Peres, Shamir

Israel and Spain move to strengthen relations

By BENNY MORRIS
Post Diplomatic Correspondent
At Spain's suggestion, Israel and Spain yesterday agreed to set up a joint committee to study increased bilateral cooperation in tourism, science, technology, culture and consular affairs.

The agreement was reached in talks between visiting Spanish Foreign Minister Francisco Fernandez Ordóñez, who arrived yesterday morning for a three-day visit, and Foreign Minister Shamir.

Meeting him at Ben-Gurion Airport, Shamir defined the visit, the first by a Spanish minister to Israel, as "historically and politically significant."

Fernandez Ordóñez began his visit with a tour of Yad Vashem, where he spoke of the "complicity" in the Holocaust of those who had remained silent in face of the carnage.

During the afternoon, Fernandez Ordóñez held meetings with Prime Minister Peres and Shamir, where they discussed bilateral ties and regional problems.

Shamir pressed his counterpart for Spanish help on EEC quotas for Israeli agricultural exports to Western Europe. Fernandez Ordóñez remained noncommittal, while saying that he understood Israel's problem. But he said that Spain itself had a similar problem with France's agricultural output.

Nonetheless, Fernandez Ordóñez declared that he had come to Israel to "open a door and a window," which Israeli officials interpreted as meaning that Spain might exhibit some flexibility when the EEC Council of Foreign Ministers discusses the problem on September 15.

Fernandez Ordóñez, like Shamir, took a tough line against international terrorism. Shamir expressed the hope that the European states would encourage the "moderate" Arab states rather than the PLO, and strengthen peace efforts.

The Spanish minister is also scheduled to meet with Arab leaders from the territories during his visit.

Nurses call off sanctions threat

By JUDY SIEGEL
Jerusalem Post Reporter
Hospital nurses last night called off a threat to apply sanctions at the country's hospitals today in protest over lack of movement in their wage negotiations.

Face-to-face negotiations between the nurses and the Histadrut on the one hand and the government on the other are scheduled to begin in Tel Aviv this morning. The nurses decided to give the talks another chance before embarking on action.

Earlier yesterday, leaders of the 11,000 hospital nurses expressed doubts that an all-out strike could be prevented. After meeting with Finance Minister Nissim, they declared that unless progress on wages,

job slots and working conditions was achieved, they would walk out on the talks.

The Health Ministry yesterday released statistics purporting to disprove claims by the nurses that the number of applicants to nursing schools has dropped drastically in the past few years.

Nurit Ben-Dov, chief nurse at the ministry, said in a discussion on nursing that an average of 500 registered nurses and 400 practical nurses graduate from the country's nursing schools each year, and that the figure has held for "the last several years." She said that the outlook for 1987 is similar.

Wladimir Struminski in Bonn

German Health and Youth Minister Rita Süssmuth told the press yesterday on her return from a visit to Israel that her Israeli counterparts, Health Minister Mordechai Gur and his deputy Shoshana Arbeli-Almosino, had requested a programme of "exchange" of nurses. This she interpreted as a request that German nurses be sent to Israel.

An official at Süssmuth's ministry said that, should the project go ahead, salaries would be a thorny problem.

Asked for her views on the nurses' crisis, Süssmuth said she thought that people should take to the streets on the nurses' behalf.

Transplant 'census' urged at conference

By JUDY SIEGEL
Jerusalem Post Reporter
Every citizen should be asked to state officially whether he allows his organs to be transplanted after his death, a Tel Aviv University philosophy professor yesterday proposed. If he agrees, he would be "at the top of the list" for receiving an organ if necessary, and if he refuses, "he'd be at the bottom of the list."

Prof. Assa Kasher, who teaches medical ethics at Tel Aviv University medical school, raised the proposal at a plenary session on organ transplants that was part of Israel Medical Week. Some 50 physicians and others attended the session, which took place last night at the Jerusalem Hilton.

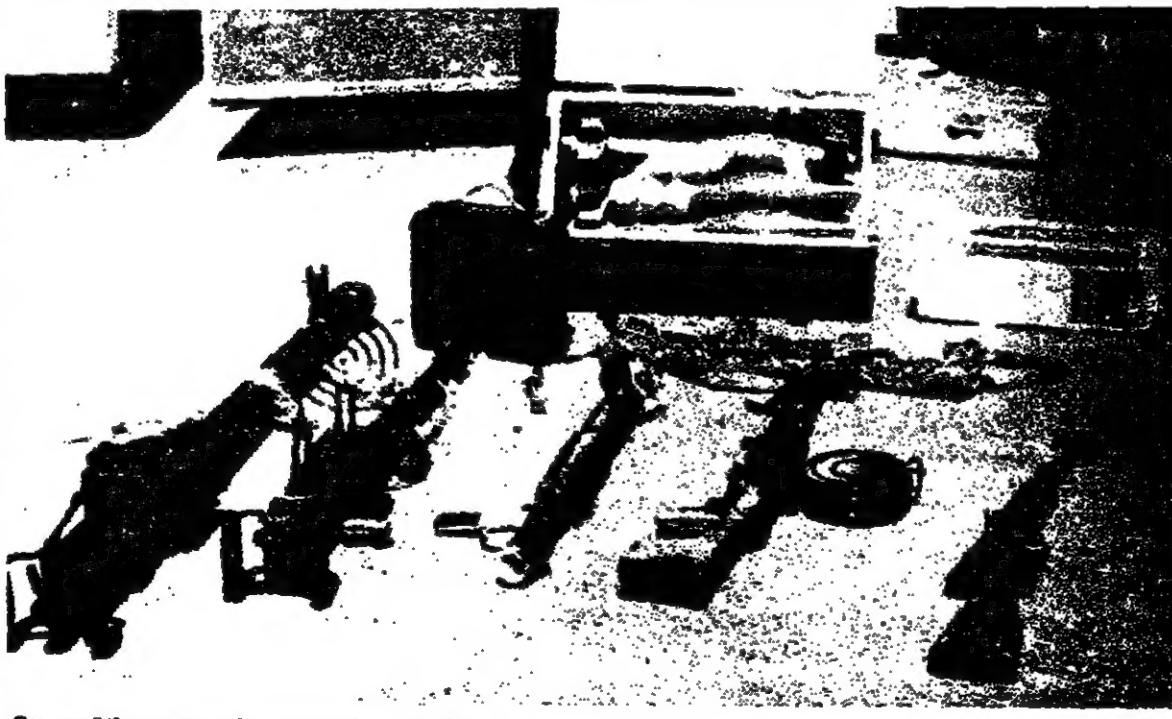
Kasher said that the state has the responsibility to provide medical care for its citizens if they cannot provide it themselves. Just as a citizen cannot protect himself from an army invasion or from organized crime, the society must help him when he is defenceless medically, he said.

As for the argument that transplants are too expensive for the state to finance, he noted that "if the government has enough money to pave a road to detour around the Arab village of Kfar Kassem, it cannot plead poverty when lives are at stake."

Rabbi Abraham Ravitz, head of Jerusalem's Yeshivat Or Sameah, said he hoped medical science would soon solve the halachic problem caused by the need to remove a heart or liver for transplantation before the heart ceases to beat.

Contrary to Kasher, the rabbi said the family of the deceased potential donor should be consulted and their views well considered, since they must, according to Jewish law, bury their relative. He added that if patients feared that their organs would be taken from their bodies without their permission, they would refuse to go to hospitals.

Prof. Yosef Borman of Hadassah University Hospital's cardiac surgery department said that some 100 to 120 Israelis on average are candidates for heart transplants each year, a significant number that demands a solution. Hadassah has received the Health Ministry's permission to do heart transplants, but has not yet begun the procedure for various reasons, including ultra-Orthodox opposition.



Some of the captured weapons from the boat

Navy intercepts PLO arms boat

Post Defence Reporter
A Navy patrol stopped a boat sailing from Cyprus outside Israel's territorial waters 10 days ago and found large quantities of arms intended for Palestinian terrorists in Lebanon, the IDF spokesman announced yesterday.

The boat's crew was questioned and released, but the arms and a speedboat found on board were confiscated. A Palestinian quartermaster was arrested.

Military sources said the vessel was on its way to Sidon to terrorist bases of Arafat loyalists in the near-by refugee camps.

An intensive effort is being made to rebuild the terrorists' infrastructure in Lebanon that was destroyed during the 1982 war, the sources said.

The boat was caught during a routine patrol. Because of the speedboat on board, the vessel "raised suspicions that it was intended for an attack," according to the IDF spokesman. Such boats are used by terrorists, sources said.

After it was forced to land, large caches of light and medium firearms and explosives were found, including guns, ammunition, and various types of rocket launchers.

Return to Sofia

With Galia Madenova, the wife of the Bulgarian foreign minister, Shulamit Shamir spoke about their common fate - husbands who are frequently away and who return home at odd hours of the night. With her old music teacher and educator, Shulamit Shamir spoke of her years as a primary school pupil in Sofia. With her girl friend from her youth, an ex-partisan and now a children's writer, she recalled growing up in Bulgaria, and chatting with the girls after school on the corner before setting off towards home.

Altogether, the week-long visit of Foreign Minister Shamir's wife to her native land, the first since leaving it for Palestine in 1941, was an emotional experience, a return to the language and scenes of childhood and youth. Mrs. Shamir returned from Bulgaria on Monday night.

Has Sofia changed? "Not really, not much. Of course it's larger, much more sprawling out. Then it had 200,000 residents, and now 1.5 million. But the centre, the old neighbourhoods, apart from a few modern buildings, is the same," she says.

The atmosphere, however, is different. "Youngsters walk about in modern clothes. And you see boys and girls together. In my day, there was strict separation, boys and girls went to separate schools. Today there's pop music and discos."

She doesn't mention the political atmosphere, totalitarianism or secret police. Indeed, throughout our talk over a fine home-made cheese cake, she deliberately stayed off politics, both Bulgarian and Middle Eastern. "That's for foreign ministers," was the way she put it.

Her visit was private, formally at the invitation of the Jewish community's roof organization, but was characterized by all the fixtures of a full-blown official visit - limousines and drivers, a private executive jet, meetings with everyone Mrs. Shamir wanted to see, just name it. "They treated me as a representative of Israel," she says.

"All the Bulgarians are very musical," she says, when we discussed her former music and violin teacher, apparently the central figure of her school days. The teacher is now 78 and blind. Their meeting, Shulamit Shamir says, in her hotel room in Sofia was "highly emotional. He has not yet come to terms with his blindness. He cried all the time, and touched my arm. I was his favourite pupil."

One of the high points of her week was the visit to the house where she spent her youth. The house where she was born had vanished, replaced by a new building. But the house of her youth was still there. She walked up the stairs to her family's old flat. "But no one was in. I'm sure if I would have asked in advance to go there, the authorities would have arranged for the occupants to be at home and to let me in. But I didn't. Perhaps subconsciously I was afraid to go in, and hence didn't arrange it. After all, my father and mother and brother are all dead now. The flat would have raised old memories..."

Thousands protest against Istanbul terror outrage

By MICHEL ZLOTOWSKI
Jerusalem Post Correspondent
PARIS. - Over 6,000 people marched through the streets of Paris last night to protest against the latest terrorist attacks in Istanbul, Karachi and Paris.

The march was organized by the International League Against Racism and Anti-Semitism, the Jewish Renewal Movement and other Jewish organizations, and was led by Minister for Human Rights Claude Malhuret, representing the French government and by Paris Deputy Mayor Jean Tiberi, representing Premier Jacques Chirac.

Opposition Socialist leaders walked hand-in-hand with members of the country's Gaullist government.

The marchers, chanting slogans demanding the closure of the Syrian and Libyan embassies in Paris, set out from the Memorial to the Unknown Jewish Martyr and proceeded to Bastille Square.

At the city hall post office where a clerk was killed and 18 people wounded on Monday by a terrorist bomb, a wreath was laid. Municipal workers were still clearing the debris from the explosion.

Close to 500 plain-clothes policemen accompanied the march.

In other developments, Anatoly (Natan) Shbaransky, in Paris for a three-day conference on Soviet Jewry, thanked President Mitterrand and the French people for their aid in securing his release from Soviet imprisonment.

Shbaransky said he had received a pledge from Mitterrand that France would do all it could to press Moscow into allowing more Jews to emigrate.

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IN PERSON



Shulamit Shamir (Harris)

She says that she suspected in her youth that both the music teacher and her best friend were secret Communists, the party then being illegal. But her friend never revealed this. "It was her only secret from me," says Mrs. Shamir.

The visit was also an occasion for a reunion with the Bulgarian language. Last year Mrs. Shamir met with Mrs. Madenova in the UN (while their husbands talked shop), and the Bulgarian offered to send Mrs. Shamir some books in Bulgarian. A few months ago the books arrived. Mrs. Shamir read them, and later found herself able to read the newspapers while in Sofia.

She was struck by the newspapers, whose front pages were dominated by the events celebrating the 75th birthday of the old national leader Zhivkov. The report on the Istanbul massacre was relegated to a small item on the back page, she says.

But the Middle East seems never to have been very far away. She constantly met Israelis, in the hotel, restaurants, everywhere. She said that there was a package tour for Israelis which revolved around gambling in the hotel's casino. When Israelis recognized her, they inevitably asked: "Will there be rotation?" she recalls.

One of the high points of her week was the visit to the house where she spent her youth. The house where she was born had vanished, replaced by a new building. But the house of her youth was still there. She walked up the stairs to her family's old flat. "But no one was in. I'm sure if I would have asked in advance to go there, the authorities would have arranged for the occupants to be at home and to let me in. But I didn't. Perhaps subconsciously I was afraid to go in, and hence didn't arrange it. After all, my father and mother and brother are all dead now. The flat would have raised old memories..."

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U.S. indicts Soviet employee at UN on espionage charges

WASHINGTON. - Soviet UN employee Gennady Zakharov was formally indicted by a grand jury yesterday on espionage charges which carry a maximum sentence of life imprisonment, the U.S. Justice Department said.

The charges were filed against Zakharov, a physicist accused of being a KGB agent, two days after the Soviet Union brought formal spy charges against American reporter Nicholas Daniloff.

Attorney-General Edwin Meese, in announcing the indictments returned by a grand jury in New York, said Zakharov would be prosecuted vigorously.

"Protecting the national security of the United States is among the most fundamental responsibilities of the federal government. No crime is more serious than compromising that security," he said.

The three-count indictment charged Zakharov with conspiracy to commit espionage, attempting to transmit U.S. national defense secrets to the Soviet Union and obtaining U.S. military secrets.

Zakharov has denied being a spy. After a four-year investigation, the Federal Bureau of Investigation (FBI) arrested Zakharov on August 23. Agents said they caught him red-handed with secret documents about jet engine design obtained from a Guyanese student who was an FBI informant.

The FBI, accusing the 39-year-old Zakharov of working for Soviet intelligence, charged that he tried to recruit the student three years ago as

a spy and offered him a 10-year contract.

U.S. officials said the KGB retaliated by arresting Daniloff, 52, Moscow correspondent for U.S. News and World Report, immediately after he accepted an envelope from a Soviet acquaintance.

Daniloff said he thought the package contained only routine Soviet press clippings but Moscow said it contained military secrets about Soviet forces in Afghanistan.

President Reagan Monday demanded that Daniloff be set free and ruled out trading Daniloff for Zakharov.

Reagan and Secretary of State George Shultz briefed congressional leaders yesterday on the Daniloff case. But they asked the leaders not to divulge what steps the U.S. is considering in retaliation.

Presidential spokesman Larry Speakes also refused to divulge administration strategy but said, "As each day goes by, it is a matter of increasing concern to the president."

The spokesman said there are a number of options. He also said several meetings with Soviet officials in preparation for an eventual U.S.-Soviet summit remain on the schedule, including talks September 19 and 20 between Shultz and Soviet Foreign Minister Eduard Shevardnadze.

Senate Republican leader Bob Dole told reporters after the meeting with Reagan that both the president and Shultz made it clear the U.S. will not trade Daniloff for the Soviet

physicist.

The Justice Department described Zakharov as a senior officer for the Soviet State Committee for Science and Technology from 1979 to 1982. He served as an adviser to the UN General Assembly in 1980 and has been employed as a UN scientific affairs adviser since 1982.

The Reagan administration has long been concerned that the KGB has been using Soviet employees stationed at the UN.

Moscow asked that Zakharov, who does not enjoy diplomatic immunity, be released to the custody of the Soviet ambassador in Washington while awaiting trial. But a U.S. magistrate denied the request.

In Moscow, Daniloff's wife Ruth said yesterday that KGB investigators appeared to be trying to build a spy case against her husband.

Speaking to reporters after visiting him in Moscow's Lefortovo Prison, she quoted him as telling her: "They are going back to 1981 when I came here and going back over all my journalistic activities and building up a case."

Daniloff, 52, was arrested on August 30. He had been in the Soviet Union for 5½ years but had previously served as a correspondent in Moscow for United Press International in the early 1960s.

In an article apparently based on KGB material Monday night, the government newspaper Izvestia said Daniloff had "disappeared" after leaving Moscow in 1965 and had "put on journalistic cover again" to return.



Egyptian security policemen clear the way for an armoured car yesterday in front of the Italian consulate in Cairo after a gunman surrendered to police after holding the Italian consul and three workers hostage for two hours. The man, Mohammed Gaballah, said he wanted to lodge a complaint for back wages owed to him when he was a cook in Italy. The man reportedly spent two years in an Italian mental hospital. Nobody was hurt in the incident. (Reuters telephoto)

Injured hijacker foiled in bid to flee hospital

KARACHI. - One of the four Palestinian gunmen held after the Karachi hijack made an unsuccessful bid to escape from hospital, Pakistani police sources said yesterday.

The injured hijacker, identified as Hassan, hid a security guard Monday and tried to get away but was quickly overpowered and secured to his bed, the sources said.

They gave no further details of the attempt but said the captive was then transferred from Karachi's Jinnah Hospital to an undisclosed location.

Police said they have filed a complaint against the four gunmen, who killed at least 19 passengers and crew on a Pan Am jumbo jet on Friday.

The complaint, a preliminary step before formal charges are filed at the end of a police investigation, cited criminal conspiracy, air piracy, multiple murders, possession of unauthorized arms and explosives.

The police sources said the Federal Investigation Agency (FIA) was

interrogating the four men. Agents had raided houses of suspected accomplices in Karachi and arrested several people for interrogation.

Pakistani authorities have not revealed whether the hijackers have disclosed any details of where they came from.

U.S. diplomats said yesterday that investigators from the Federal Bureau of Investigation met local police and security officials investigating the hijacking, but the case and prosecution were entirely under the control of the Pakistani government.

"They're not going to interfere, but they're prepared to assist the Pakistanis if there is a request," said one diplomat.

Officials said the death count from the hijacking remained at 19 after a Mexican passenger died Monday night. Another wounded passenger was "clinically dead," but remained on life support machines, the officials said. (AP, Reuters)

Howe aims to deter U.S. on hijack retaliation

By DAVID HOROVITZ
LONDON. - British Foreign Secretary Sir Geoffrey Howe flew to Washington yesterday aiming to deter the Reagan administration from retaliation in the wake of the Karachi hijack.

Whitehall sources have stressed this week that there were no indications of plans for U.S. action, and that there had been no approach from the Americans regarding the use of British air bases.

Nevertheless, Howe, currently president of the Council of Ministers of the 12-nation European Community, is likely to take pains to

make the EC position clear to Washington - more evidence must be obtained, especially from the four hijackers in Pakistani hands, before there can be any talk of retaliation.

Howe will emphasize that Europe attaches great importance to international cooperation and coordination in the fight against terrorism, but will stress that reprisals should only be initiated on the basis of conclusive evidence and within the restrictions of international law.

The U.S. raids on Libya in April were criticized precisely because it was felt that these conditions had not been met.

30 Chilean exiles fail in return try

BUENOS AIRES. - Troops yesterday prevented some 30 exiles from returning to Chile, which has been clamped under a state of siege after an attempt to kill President Augusto Pinochet, the Argentine news agency Diarios y Noticias (DYN) said.

DYN quoted relatives who met the flight from Buenos Aires as saying security forces boarded the airliner and told the exiles they could not enter Chile. Other passengers disembarked.

The exiles, who have been banned from Chile, left on a flight to Santiago two days ahead of the 13th anniversary of the coup in which left-wing President Salvador Allende died and Pinochet took power.

Allende's widow and daughter saw off the exiles, among them several prominent figures in Allende's government.

Under a three-month state of siege imposed by Chile's military junta Monday, at least 60 student-trade union and political leaders have been arrested and six magazines have been closed. The Reuters bureau in Santiago was ordered to cease operations until further notice.

The exiles have condemned the government's reaction to the assassination attempt, for which the guerrilla group Manuel Rodriguez Patriotic Front (FPMR) claimed re-

sponsibility, saying those fighting for democracy in Chile were not involved.

An Argentine radio station reported there would be a mass rally in support of Pinochet in the centre of Santiago yesterday afternoon. This will follow the funerals of the five bodyguards killed in the attack.

The Argentine national border guard said it had been ordered to increase surveillance of the border with Chile.

Chilean national radio, monitored by the British Broadcasting Corporation (BBC) in London, quoted Chilean authorities as saying the main suspect in the attack on Pinochet was Cesar Bustar Arista, the son of Allende's ambassador to Britain.

Meanwhile, the family of a leftist journalist who had been picked up at his home early yesterday by armed men claiming to be police said yesterday he was found dead shot in the head.

Police denied having arrested Jose Carrasco, foreign editor of *Analisis* one of the magazines closed.

Carrasco's body was found on a sidewalk next to a suburban Santiago cemetery.

Yesterday morning, Pinochet presented posthumous decorations to relatives of the slain army and police officers. (Reuters, AP).

Lebanon to close illegal ports

BEIRUT (Reuters). - Christian and Moslem cabinet ministers met yesterday in a second round of Lebanese peace talks and decided to try to shut militia-run ports that have deprived the state of vital customs revenue.

Prime Minister Rashid Karamah said: "We have decided to revive the former cabinet decision stipulating that all illegal ports be closed down. The three-hour meeting was held at a disused horse race track on Beirut's 'green line' battlefield."

Karamah said the move, under which rival Christian and Moslem militias are to close illegally-built ports and return others to state control, would be implemented at the end of the month.

Lebanese militias operate more than a dozen illegal ports up and

down the coast, and control at least two of the four licensed ones, including Beirut port.

Customs revenue, once the mainstay of the treasury, sank to 13 million Lebanese pounds (\$307,000) in August, newspapers said.

Karamah has estimated monthly government spending at two billion pounds (\$47.2 million).

The Christian Lebanese Forces militia last month said it was ready to hand ports it controls to the government to ease the country's deepening economic crisis.

Despite the renewed peace efforts, the Lebanese pound continued to fall, ending the day at 42.40 to the dollar, against Monday's 41.75 close. The currency has lost more than 60 per cent of its international value this year.

2 groups claim Paris bomb responsibility

BEIRUT (Reuters). - Two groups claimed responsibility yesterday for Monday's bomb attack that killed a woman and injured 19 people in a Paris post office close to Prime Minister Jacques Chirac's city hall.

The "Supporters of Right and Freedom," a previously unknown

group, announced its claim in a typewritten statement delivered to an international news agency in Beirut.

Later, the "Committee for the Defence of Arab and Middle Eastern prisoners in Europe" sent a handwritten statement to another agency.

'Iran uses London office to buy arms'

By DAVID HOROVITZ
LONDON. - Some 70 per cent of all Iranian foreign arms purchasing is conducted from an office in London's Westminster district, according to a Thames Television report. Iran has been using the office as a centre for foreign arms purchases for the past seven years, the programme said. The arms buying - including urgently needed aircraft parts and other material used in the Gulf war - is conducted through an office leased to the National Iranian Oil Co.

The building has reportedly been under government surveillance for some time as evidence that London is being used as a centre for the purchase of U.S.-made arms has emerged in recent U.S. court cases.

Britain's 1975 Export of Goods Control Order bans the export of all arms to Iran, whether made here or imported.

Official Foreign Office policy states that Britain will do nothing to "prolong or exacerbate the (Iran-Iraq) conflict."

Coretta King snubs Botha; three black guerrillas hanged

JOHANNESBURG (Reuters). - Coretta King, widow of the slain black American civil rights leader, failed to turn up yesterday for a meeting with President P.W. Botha in an apparent snub to the South African leader.

King, criticized by black anti-apartheid leaders for requesting the meeting, changed her mind at the last minute. She said she needed more time to consider South Africa's complex problems.

Fifteen minutes after the discussion was to have begun, her aides arrived at Botha's Cape Town office to say the meeting was off.

In Pretoria, three black guerrillas were hanged for their part in a bomb attack and a murder despite last-minute appeals for clemency from anti-apartheid groups.

Lawyers said one of the African National Congress (ANC) guerrillas, Sibiso Zondo, 21, had turned down a chance to save his life by

testifying for the state in another case.

King arrived in South Africa last week with the declared aim of establishing a dialogue with as many people as possible "to gather information about the human suffering here."

Anti-apartheid leaders Winnie Mandela and Allan Boesak criticized her for requesting talks with the president and said they would not meet her if the Botha session went ahead.

The widow of Martin Luther King said in a statement she needed time to consider South Africa's problems in order to have a substantive meeting with Botha.

"I have great respect for the black leadership of South Africa that has struggled so determinedly and courageously to end the wretched, inhuman and immoral practices of apartheid."

Her statement was delivered to Botha's office by three aides and

black businessman Robert Brown, a friend of King's, who in July rejected a White House invitation to be considered as the next U.S. ambassador to South Africa.

She said she would like to meet Botha at a later date but it appeared unlikely a session would take place before King ends her trip tomorrow.

A spokesman for Botha said his office would issue a statement later.

Anti-apartheid groups had appealed to Botha to reprieve the three ANC guerrillas but they were hanged at Pretoria central prison.

Zondo was convicted for taking part in a bomb attack on a shopping centre south of Durban last December which killed five people. The two other guerrillas, Sipho Xulu, 26, and Clarence Payi, 20, were sentenced for killing a fellow ANC member whom they suspected of being a double agent. The three reportedly went to the gallows singing freedom songs.

100 feared dead in Nigerian boat crash

LAGOS, Nigeria (AP). - About 100 people were feared dead following a collision between two vessels off Port Harcourt in southern Nigeria, the transport ministry in Rivers state said yesterday.

Two motor vessels, the Nembé and the Assei, collided while trying to navigate around a dangerous area off the Niger River delta known as the "death zone," the ministry said in a statement.

It did not say when the accident occurred.

It said the Nembé was carrying about 400 passengers, mostly women taking produce to markets, while 300 people were aboard the Assei. The Nembé was ripped open below the waterline, it said.

Some passengers managed to swim ashore, while rescue operations were still going on for other survivors, the statement said.

NATO MANEUVERS - Some 10,000 American, British and Dutch troops landed by ship and helicopter yesterday for a mock western allied invasion, against 15,000 Norwegian troops, officials in Oslo said. The week-long mock invasion is part of NATO's amphibious fall exercise code-named Northern Wedding.

MIDDLE EAST BRIEFS

Gaddafi threatens 4 African nations

KHARTOUM (AP). - Libyan leader Muammar Gaddafi yesterday vowed to "strive to overthrow" the Egyptian government and those of four African countries that have recognized Israel since the 1979 Jerusalem-Cairo rapprochement. Gaddafi said some Arab leaders claimed they were not to blame for renewing ties with Israel since Africa's biggest state led the way.

Iran: Iraq using chemical weapons

NICOSIA (AP). - Teheran yesterday accused Iraq of using outlawed chemical weapons in western Iran, and claimed 15 civilians were killed in Iraqi bombing raids on "civilian and industrial" targets in Northern Azarbaijan province.

SWIMMERS - Two young East Germans escaped to the west by swimming a section of the Spree River which flows through both sectors of Berlin, police in Berlin said yesterday.

Egyptologist raps mummy search

PARIS (Reuters). - French Egyptologist Jean-Philippe Lauer has attacked a search by two compatriots for the mummified remains of the Pharaoh Cheops. In an interview published yesterday in *Le Figaro*, the 84-year-old president of the French Egyptology Society calls the architects' search of Great Pyramid at Giza "as grotesque as it is groundless."

Arabs urged to boost West Bank produce

AMMAN (AP). - Crown Prince Hassan of Jordan yesterday urged Arab nations to encourage the export of Palestinian agricultural produce from the West Bank and Gaza Strip.

Arab League chief condemns violence

AMMAN (Reuters). - Arab League Secretary-General Chedli Klibi yesterday condemned recent Middle-East related violence and warned Israel against reprisals.

TOURISTS AND OLIM! - ATTENTION TOURISTS AND OLIM! - ATTENTION TOURISTS AND OLIM! - ATTENTION TOURISTS AND OLIM! - ATTENTION TOURISTS AND OLIM!

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HOME NEWS

Immigrant murder suspect can be extradited, rules Supreme Court

By MENACHEM SHALEV
For The Jerusalem Post

The Supreme Court yesterday dealt another blow to French immigrant William Nakash's effort to avoid extradition to face murder charges in France.

It ruled that he is legally liable to extradition to France, where he is accused of killing Abdallah Hakim in what his attorney and supporters claim was a politically inspired killing.

It is now up to Justice Minister Avraham Shafir to decide whether Nakash will in fact be extradited.

French authorities say that on February 20, 1983 Nakash and two other men went to a nightclub in the town of Besancon, had the club's owner identify Hakim, confronted him and then shot him dead. They say a struggle between nightclub owners was behind the killing.

According to Nakash's attorney, Roland Roth, however, Hakim, an Algerian, was a known pro-PLO activist and his murder was meant to teach a lesson to local Arabs, who had been harassing Jewish nightclub owners.

Roth argued before the Jerusalem

District Court and on appeal to the Supreme Court that the killing was not criminal but a political act. Because of this, it should be exempt from extradition.

Justice Gabriel Bach rendered the court's decision before a hushed courtroom packed with Nakash's relatives and sympathizers.

Nakash's wife, Rina Atlan, burst into tears as Bach said that her husband, a 1983 immigrant, was extraditable. The court ruled that murder could not be construed as a political act.

The Supreme Court judgment cited two well-known extradition cases where claims of political immunity were rejected.

First, it referred to the U.S. decision in 1981 to extradite PLO terrorist Ziyad Abu Ain to Israel. The U.S. court ruled that terror aimed at innocent civilians could not be construed as a political act negating extradition.

The other case it mentioned was that of the abducted child Yossef Shumacher, which created an uproar in Israel in 1962. An English court

rejected an argument raised on behalf of Yossef's grandfather, Shalom Shtraks, that the extradition request by Israel should be rejected because the boy's abduction came against the backdrop of the political infighting between religious and non-religious parties.

Roth, citing the 1977 French release of Abu Daoud, the terrorist responsible for the Munich Olympics murders, pledged after the decision to continue the struggle on behalf of his client against the French.



Murder suspect William Nakash is led from the Supreme Court yesterday after the court rejected his appeal against extradition to France. (Israel Harari)

Time running out for underground veterans

The first 10 minutes of the 40th anniversary of those few months when the three major undergrounds — the Hagana, the Irgun and the Lehi — joined in a rare moment of what is nowadays called national unity, were devoted to the dead.

The dead in Istanbul, the dead of the Irgun, the dead of the Lehi, the dead Tel Aviv Chief Rabbi Yitzhak Yehuda Frenkel (who died that morning), dead IDF soldiers, dead anonymous soldiers in one or another battle. It was part of the ceremony. Every three minutes the Maan Auditorium audience would rise to its feet as one or another of the dead were mentioned.

The Hagana veterans had their party a month ago, to celebrate the same anniversary. Forty years ago, the Irgun and Lehi were called the dissidents, and it took Moshe Shuch a lot of work to persuade Yisrael Galili and David Ben-Gurion that it would be a good idea, for a while at least, to allow Menachem Begin and Nathan Yellin-Mor back into the collective fold to impress upon the British the Jews' desire for a state.

But when the Hagana had its celebrations a month ago, Uzi Narkiss chose not to invite the Irgun and Lehi veterans, so this week, the Irgun and Lehi didn't invite the Hagana.

Nobody mentioned Saheb, either. Not at the Hagana convocation nor at the Irgun convocation. That's because in the interim he became a communist. Nowadays, his son is head of the civil administration in the West Bank and

Tel Aviv Tel Aviv
Robert Rosenberg

Gaza.

When the moderator announced that there was "one empty seat" in the full house, somebody whispered, "Begin."

But the moderator said Yehudya Frenkel, who was the rabbi whom everybody liked. The moderator did not mention that everybody thought that Frenkel was theirs — the Hagana, the Lehi, the Irgun. Frenkel officiated at the weddings of Ora Namir and Meir Wilner, Uri Zohar and Ephraim Kishon.

But when people who made history get together, they select those parts of history that fit their view, and grab the personalities they need to make that view fit.

Begin, who for 35 years lived on a little side street a block away from the Maan Auditorium, is, of course, nowadays on Rehov Zemann in Jerusalem.

Later Yehiel Kadishai read a telegram from Begin to the Teutonic moderator who tried to make every word blaring from the sound system tremble with the tremor of history.

But by then, Dr. Bader, the last of the original intellectuals of the Revisionists who

was captivated by Jabotinsky's mind and not by Jabotinsky's uniform, had begun to doze in the front row. Or maybe he had just shut his eyes to the constant flashes of photographers' cameras.

Give these people a chance and they make an anniversary at which most of the ceremonies are about how they were persecuted and how that should never be forgotten. There was a 20th anniversary and a 30th anniversary.

Since history was made every year of those years they were in the underground, legitimately paranoid and making other people paranoid, it sometimes seems that there is an anniversary of some event at least once a month.

They're running out of time, these veterans of the Irgun and the Lehi. The Hagana veterans are running out of time, too.

The Teutonic moderator thought it would be a good idea to start the show with him whistling the underground radio's theme song into the microphone.

The youngsters from the IDF band, conducted, as usual, by Yitzhak Graizman (who mouths the words to *Haukva* as he conducts it) fidgeted a little. But they played the Betar anthem, "with feeling," said the elderly lady in the next row, her clear soprano joining in with the Betar choir.

The Betar teenagers in blue and white uniforms handing out song sheets at the entrance did not know the words to all the songs, and at least three youngsters randomly picked in the

lobby did not know, when asked, who Bader is, or what Yellin-Mor believed in after the state was founded, or how many Jews Shamir ordered executed for treason. But they all knew that Rita had been performing Eliza Doolittle every night in the Maan Auditorium for the month of August, and two of them tried to sneak into the dressing room to see if she had left anything behind. One of the auditorium guards caught the two, and sent them packing.

Soon Begin's picture will be hanging up on the stage along with Herzl's and Jabotinsky's. It does not seem likely that Shamir's picture will hang up there one day. The song sheet, by the way, was financed by a full-page advertisement for natural herbs that prevent hair loss.

Everybody likes to morn about Rambo than about Ya'ir. Everybody is surprised that a 14-year-old knifes a 15-year-old to death in a parking lot outside a discotheque.

But in this row of the Maan Auditorium, there's a man, whispers the woman in the row behind him, "who was very good at throwing bombs. He was never afraid."

And there, four rows behind Ya'acov Meridor, is a woman who "was particularly good at making bombs."

The party was over by 11 p.m. The lights went out slowly. First the upper lobby, then the lower lobby, then the fountain and finally the light illuminating the banner announcing the convocation.

U.S. Jews mourn massacre victims

By TOM TUGEND

Jerusalem Post Correspondent
LOS ANGELES. — Three grandchildren of one of the victims of the Istanbul synagogue massacre were joined by Los Angeles mayor Tom Bradley and 500 mourners at a memorial service Monday at the Simon Wiesenthal Center.

Ziba Bolour and Biyan and Eleanor Bruckman, all pupils at the city's Yeshiva University High School, were notified Sunday that their grandfather, Mizrah Babazadeh, had been killed in the terrorist attack.

Babazadeh was an Iranian businessman who settled in Israel five years ago. The Jerusalem-area resident was in Turkey on business when the attack occurred.

At the memorial service Bradley expressed his shock and disgust at the outrage. He was joined at the service by 25 rabbis, according to Rabbi Abraham Cooper of the Wiesenthal Center.

In a related action, leaders of the Zionist Rabbinal Council met with Nihad Erman, the Turkish consul-general in Los Angeles, and urged that his government provide guards for all Turkish synagogues.

In New York, correspondent Walter Ruby reports on the reaction of Holocaust survivors to the Istanbul massacre.

The event was meant to be a celebration. But as 3,000 survivors of the Holocaust gathered Sunday at the base of the Simon Wiesenthal Center

commemorate their liberation from Nazi death camps by the U.S. Army, the spectre of the Istanbul massacre hung heavy over the gathering.

"When will this end?" asked Benjamin Meed, president of the Federation of Jewish Holocaust Survivors, which sponsored the hour-long event which marked the 40th anniversary of the arrival of the first survivors in the U.S.

Meed noted that like the victims of the Holocaust, those slaughtered in the Istanbul synagogue "were without any chance of defending themselves as they were murdered by Palestinian terrorists while they were davening in their prayer shawls."

Morris Kesselman, a survivor of Auschwitz, Mauthausen and three other camps, told *The New York Times* that the massacre was "a horror that we Jews are too used to."

Pearl Gottesman remarked, "You can't say it will never happen again, because it does." She said the massacre was proof that "anti-Semitism will always be here."

Author Elie Wiesel, who addressed the survivors later at a dinner at the Waldorf Astoria, called the attack "inhuman," adding, "there must be a universal condemnation and retaliation. Something must be done at the highest levels of government. Perhaps a summit conference on terrorism should be convened, or a law should be passed to outlaw anyone who is engaged in terrorist

Taxi drivers are popularly assumed to be exploiting the innocent and the ignorant whenever the opportunity arises, taking them for a ride in more ways than one.

Divesting myself of anything obviously Israeli, I popped my Australian passport into my wallet, and armed with a copy of *Berlitz Hebrew for Travellers*, conveniently dog-eared on the page pertaining to taxis, I set out to find whether they've been unfairly branded and are basically a decent lot.

Tourists are not fussy about where they stand to hail a cab, but when you are playing a part, you want to make sure that you have the right backdrop. So, standing in front of the Kings Hotel in Jerusalem, I tried my best to look like a guest who had just descended the stairs into the street.

Seconds later, a four-seater white Fiat that had seen better days came careering round the corner. It was only 11.30 in the morning, but the driver whose front teeth were missing, was already sporting a heavy five o'clock shadow.

"D'ye speak English?" I asked in my most unrefined Australian accent.

He indicated that he did.

"How much will it cost to go to the airport?"

"NIS 70," he says.

GREER FAY CASHMAN is taken for a ride, but finds...

Taxi fares are (usually) fair

Noting signs of hesitation, he comes down to NIS 50 and I get in.

Details of the driver's name, address and phone number are all there for the cautious passenger — all there in Hebrew that is.

As we move away from the kerb, I ask why he does not turn on the meter. Greatly agitated, he tells me that the meter is only for rides within the city. Not so according to the Transport Ministry, which since January 1, has made it mandatory for cab drivers to turn on the meter for all rides. Maybe Pinchas Cohen, licence number 699079, just has not had time to catch up on the rules.

We have hardly gone 20 metres, when he wants to know if I am going to pay him now. Mustering exactly the right note of indignation, I retort, "No, I'll pay you when we get there." Pinchas puffs furiously on his drooping cigarette.

As we approach the Central Bus Station, Pinchas catches sight of his wife and son across the road. She just had a hard time with Bezek bureaucracy over the matter of an

extension cord for the phone. Pinchas offers to lend her a hand.

"One minute," he says over his shoulder as he scrambles out of the car leaving his 10-year-old son to mind me. The car is double-parked, right in the path of oncoming buses. Pinchas has left the key in the ignition. The boy positions himself behind the steering wheel and says brightly in Hebrew: "It looks like I'm going to be the one to drive you to the airport."

Pinchas comes back 10 minutes later. It was just as well that the meter was not on. His wife scurries after him demanding NIS 5 for her cab fare home.

"Why?" he asks with the savvy of the expert. "It only costs two-and-a-half." He gives her five anyway.

As we reach the exit of the city, Pinchas makes an illegal and totally unnecessary U-turn, and a young police officer waves him to a stop. Pinchas pleads that he'll never do it again. The cop is not interested. He wants to see if Pinchas's vital statistics are pasted up in the cab for all

interested passengers to read.

Pinchas becomes even more contrite. The cop starts inspecting the inside of the car. There's no facility for garbage disposal — not even an ashtray. Another violation. Pinchas says he has a small garbage container in the boot. The cop makes him open up. The minutes are ticking away and poor Pinchas is being humiliated in front of his son, who is sharing the back seat with me now. They find the container and Pinchas puts it in the car. The cop relents but gives Pinchas a stern warning.

"What was the problem?" I ask in what I hope is a plausibly curious voice? Pinchas mutters something about a wrong turn, but doesn't tell the whole story.

As we move along, I realize there is no air-conditioning in the car — just a fan on the dashboard, and it is facing in the driver's direction. There's no choice but to open the windows. The wind whips at my face and makes a bird's nest out of my long hair. At last in Lod, I ask Pinchas for a receipt. He is mildly surprised, but makes no fuss.

Outside a few minutes later, I observe the export manager of a leather-wear company unloading tens of thousands of dollars of merchandise from a 1986 model Mercedes. I am worried that he might recognize me and then I will not be able to ride to Tel Aviv in this lovely air-conditioned, maroon coloured car. He's so preoccupied with catching his flight that he does not notice me.

In response to my query, Nissim Katan the driver of this luxurious vehicle says that the fare to Tel Aviv is NIS 18. On the way, I mention the meter, and it seems that Nissim, like Pinchas, is unaware of the rules on meters.

We go the long route via Jaffa. He points out two hookers standing at a bus stop and casually imparts the exact address of their place of business in Tel Aviv's Hayarkon Street. When he remarks that I have no luggage, I have to be quickly inventive. I tell him that I went to Lod to see off a friend and am now returning to my hotel.

"How much did the other driver charge?" he wants to know.

"NIS 25," I say glibly. He assures me that this is a reasonable sum in view of how badly cabbies have suffered under the price freeze. NIS 35, he opines, would be a little steep, but any sum below that is

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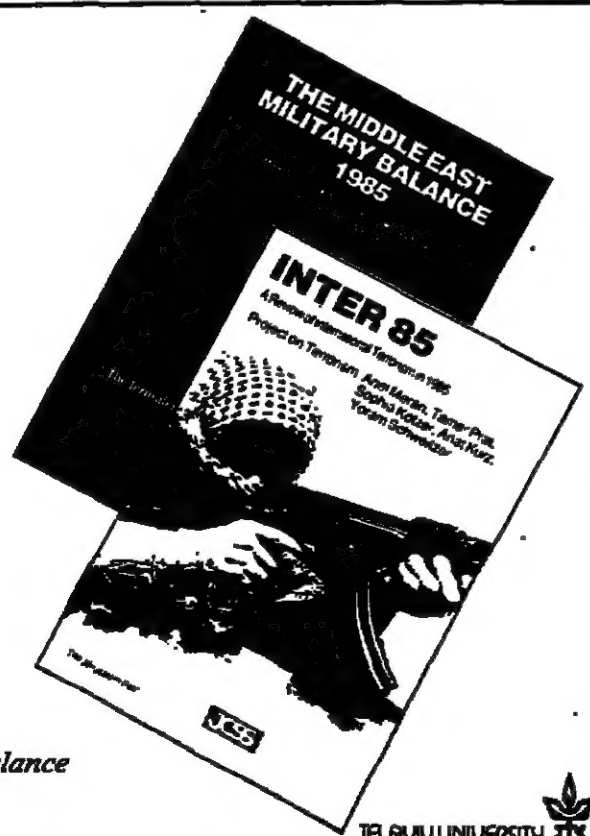
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Technicians test new television relay equipment at Masada yesterday designed to improve TV reception in the Dead Sea area, long a problem for local residents and hotels. Under the new Bezek system, two antennas on top of Masada will receive signals from Arad, then relay them via a cable to a communications station near the Masada cablecar's lower depot. From there, programmes will be relayed on channel 11 to viewers. The antennas seen in the picture were designed so that the landscape would not be affected. (Zoom 77)

For the attention of

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In the bottom portion of our circular regarding the 5747 Holydays Stamps and the souvenir sheet for **Netanya 86**, the national stamp exhibition, now being sent out to subscribers with a statement about payment, you will find

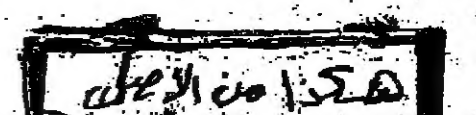
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YAD VASHEM. The Holocaust Martyrs and Heroes' Remembrance Authority, Jerusalem

To permit the carrying out of electrical work

The Yad Vashem Museum will be closed

on Thursday, Sept. 11, from 2:30 p.m., and on Friday, Sept. 12.



Al Fajr's goal: expressing the Palestinian view

Newspaper owner discusses politics and journalism

Joel Greenberg/Jerusalem Post Reporter

PAUL AJLOUNY, owner and publisher of the East Jerusalem newspaper *Al Fajr*, is a careful man. He agreed to be interviewed during his current visit from the United States on condition that he keep a copy of the tape recording of the conversation. He refused to be photographed, and made it clear that he does not want to be quoted out of context. The conditions, he explained, are to avoid giving Israeli security authorities a pretext for reimposing a ban on his entry into the country.

Ajlouny, 53, who now lives in Hempstead, New York, was born in Ramallah and was taken to the U.S. by his family in 1946. A wealthy retired businessman who says he owns many companies dealing with investment, development and export, Ajlouny is considered a major power behind *Al Fajr*, edited by Hanna Siniora, reportedly the second most widely read paper in the territories and regarded as the major organ for the views of the PLO's Fatah group.

Ajlouny put up some \$10,000 to help establish the paper in 1972, when it was founded by Palestinian journalist Yusef Nasr. Ajlouny's brother-in-law and his former college roommate, Nasr was the paper's editor until he disappeared in mysterious circumstances in 1974.

Ajlouny believes Nasr was kidnapped and murdered by Palestinians opposed to his politics. According to him, the Middle East is still not ready for the fresh, hard-hitting journalism Nasr wanted to introduce in the paper.

"I inherited something I did not

want, but it became a challenge to me to make sure that his dream continues," he said. Ajlouny speaks English with hardly a trace of an accent, and speaks a colloquial Arabic learned at home and later studied in college.

Of his three American-born children, only his oldest son has visited the West Bank, and Ajlouny says he would not want his daughter to come and "be put through the shameful concept of having to be searched naked at the borders."

IN 1978 Ajlouny was barred from visiting the territories for five years after being convicted in the U.S. of trying to ship stolen communications equipment, which a U.S. prosecutor said was intended for the PLO. He maintains that the equipment was in reality telephone and telex machinery destined for one of the Gulf states. Ajlouny says he served three months of a two-year sentence before he was released.

He says *Al Fajr* is financially and organizationally independent of the PLO. Although Israeli sources say that not all of the money Ajlouny has given the paper is his own, Ajlouny asserts that the paper is completely owned by him, and that he has U.S. income tax returns to prove it. He confirms that he was an adviser on the American scene to the PLO delegation at the United Nations between 1975 and 1978, but as a resident in the U.S. This was a natural phenomenon, "just like there are American Jews who are advisers to the State of Israel."

During his current visit, Ajlouny



Paul Ajlouny is shown at a 1976 Beit Agron press conference.

is supervising plans for an expected move of the paper to new premises, where its editing, printing and distribution facilities are to be concentrated under one roof. He does not hide his deep dissatisfaction with the professional level and financial situation of the paper, which currently has a circulation of some 5,000 copies, but he believes it can become a profitable venture.

Ajlouny would like to see more human-interest stories about everyday Palestinian life and less politics in his paper. He says he has had to overcome differences of mentality with his staff, and introduce both a Western-style of management and concepts of "responsibility" and "sensitivity." He has sent reporters to England to study journalism, but says that his attempt to bring a Palestinian professor from the U.S. to assist the paper was foiled by Israel's refusal to grant the man a work permit. During his interview with *The Jerusalem Post*,

Ajlouny called in some *Al Fajr* reporters to "see how it is done."

THE FOLLOWING is excerpted from the 90-minute question-and-answer session:

Do you see your paper as not just reporting news, but also promoting certain values or ideas?

Obviously its number one objective is to promote the State of Palestine. After all, we are a people under occupation, and I would consider it a sacred duty to remove the occupation, to be Israeli occupation or Jordanian occupation. Its primary role is to create a state, so if you consider creating an independent Palestinian state biased reporting, so be it.

What is your view of the level of journalism in the territories?

The level of journalism in occupied Palestine is extremely low. The reason for this is that journalists are not allowed to come and work here.

Do you imagine that if the political pressures somehow dissipate in the future, Palestinian journalism will become less partisan?

I think it will become similar to the Jewish press or the Israeli press, because Palestinians are of many diverse views and political ideas, and this is healthy. I hope never to see the day that the Palestinian press will become similar to the Arab countries' presses, like Jordan or other Arab countries, where in reality the press is the product of the state, rather than the product of the people.

IT IS SAID that *Al Fajr* is a PLO organ.

Al Fajr is a Palestinian paper trying to express a Palestinian point of view. If that view is PLO, so be it.

But there are people here who say cooperating with Jordanian policy is best, because it is the quickest way to get rid of the occupation. Would you entertain such views in your paper?

Yes I will, and I will entertain a second article, in which I would point out the inadequacies of [the

writer's] favourite state. If I had to choose between being under the rule of Jordan, or under the rule of Israel, I would choose the rule of Israel.

What about not writing something because it will cause a negative reaction among Palestinians? That does happen, yes.

WHAT IS YOUR FEELING about the recent level of political dialogue in the territories?

As a newsman I noticed that there is a concerted effort by both Jordan and Israel to silence the will of the people. On the Israeli side, the censor is now censoring articles that are favourable to Jordan and have nothing to do with Israeli security.

Why not have an election here? A plebiscite under the auspices of Israel, which is a democratic state, and see whether the people in the occupied territories want to choose Israel, Jordan or a Palestinian state.

I think there is a fear that an election would show the true feelings of the people, and they don't want that to be known to the world. When you prevent that form of expression, you are inviting violence.

Do you condemn the threats made on deposed Gaza mayor Rashad Shawwa after his criticism of the PLO?

Shawwa was an appointed mayor and he was never elected. He is free to express his point of view, and I will be the first to defend his right to do so. There should be dialogue, and Shawwa should be put in his place by the will of the people, not by the threat of the people.

Violence of any form I abhor and detest, but don't suppress one man and try to lift up another and say, "Look, there is violence against this man because he speaks."

Do you have anything to learn from the Israelis?

Yes, there is a big lesson to learn: the lesson is the will to work for a common goal, the pioneering spirit of the founders of the state, which is

waning in Israel at the moment, so I hear.

Also the lesson of democracy. In my view, there is no democratic Arab state existing today. When a Palestinian state is developed, it must be democratic, otherwise it cannot exist. And that democratic state would be a threat to existing regimes in the region. That is why most regimes in the region don't want a Palestinian state. I have always said that our number one enemy is our own brothers, the so-called Arab nation.

In 1982, you interviewed Israeli P.O.-Ws being held by Palestinians in Lebanon's Bekaa Valley, and sent recordings of the conversations to the prisoners' families through Israel radio. How did the experience affect you personally?

They were young men, confused, young children who were away from home for the first time. Some of them were on the point of tears, and some of them cried. I said that this is a natural phenomenon, this is a human phenomenon, and as soldiers they shouldn't be ashamed of that. I felt they should be back with their families, just like the Palestinian prisoners that the Israelis are holding should be back with their families.

THERE WAS tension in *Al Fajr* over Hanna Siniora's initially positive reaction to the Peres-Hassan summit. Siniora also attended a meeting with U.S. Vice President George Bush, but other PLO supporters stayed away. What is your paper's position on such issues?

We are not a dictatorial paper. I allow any group to express its point of view; this is healthy.

The State of Israel is democratic for its own people, but it's not democratic for other nationalities on its

soil. There will come a time when the U.S. and the American people will wake up and see that Israel is a drain on their economic well-being and must be jettisoned.

How do you see the ultimate solution to the Palestine problem?

There should be a Palestinian state, demilitarized completely, democratic and secular. It should not have an army, because it drains the economy, because there have been traitors in the Palestinian movement, collaborators with the State of Israel, so I don't want a bloodbath and vengeance when the state develops. When you have an army you have dictatorship, and we don't want dictatorship here.

What about Palestinian "armed struggle" or terrorism?

I am against armed struggle altogether, because it has proven to be ineffective. I don't believe in taking revenge on innocent bystanders who have nothing to do with the cause itself, and I have condemned such attacks. I believe the economic struggle, boycotts, are more effective. At least a hundred persons of our own have been killed in armed struggle for every one Israeli.

In what territory would you want the Palestinian state?

I would prefer that the State of Israel and the occupied territories become one state again - one man, one vote, to live in democracy and harmony. That might not happen in my generation, but it might happen in future generations.

And a state in the West Bank and Gaza Strip?

It would be an acceptable interim solution. At the moment, that's the only thing available.

The Middle East page is edited by Yehuda Liiani

Jordan plans to bolster West Bank health care

Murad Al-Imari

JORDAN is taking active steps to improve the health conditions of West Bank residents through the collection of new and more accurate health statistics, the creation of a centre for nuclear medicine and the opening of a new Arab hospital in East Jerusalem.

The initiatives were discussed by Jordanian Health Minister Dr. Zeid Hamza in a report from Radio Amman last week.

Hamza said that the new steps are part of Jordan's five-year development plan for the occupied territories, designed to strengthen ties between the Hashemite kingdom and Palestinians on the West Bank.

Hamza stressed that accurate information on West Bank health conditions is urgently needed before Jordan can implement the plan.

But so far, Hamza asserted, Jordan has been barred by Israel from gathering first-hand, up-to-date statistics. The only reports currently available to Jordanian authorities

were prepared by the World Health Organization (WHO).

He claimed that when WHO sent a fact-finding mission to the West Bank, the Israeli authorities refused to give the committee entry visas. Thus, the WHO reports were based only on sketchy Jordanian government information.

Hamza said he hoped the new West Bank centre for nuclear medicine will open early next year.

Regarding the proposed East Jerusalem hospital, he said the new facility would replace the old East Jerusalem Hospice, which was closed last year by the Israeli authorities following allegations that the facilities were inadequate.

Arab health ministers, during a March conference in Casablanca, unanimously agreed to contribute funds towards the opening of the new hospital.

The permits needed to open such an institution are currently being sought, Hamza noted. Once permission is granted, the Arab health ministers will be asked to follow through on their promise to provide financial support.

Gaddafi internal problems greater than U.S. threat

Colin Legum/London

U.S. President Ronald Reagan's tactics against Colonel Muammar Gaddafi are intended to increase the internal political, military and economic pressure building up inside Libya. But the threat of external intervention could instead unify Libyans - and especially the army - behind Gaddafi's leadership.

The Egyptians and the Libyan exile opposition movements, view the American tactics as positive, but other political analysts argue that foreign pressure makes it more difficult for the dissidents in the army to move against Gaddafi because of the nationalistic and patriotic spirit the Libyan leader is able to work up in the face of "a national threat."

The army, which is a professional force, is divided internally but is also united against the increasing importance being given to the Revolutionary Committee cadres which are now armed with more sophisticated weapons and who have come to constitute a counter-balance to the army. The army has become increasingly suspect in Gaddafi's eyes since the abortive military coup of 1984 when hundreds of air force officers were said to have been executed.

Additional evidence of the dissent within the army is provided by the execution of Gaddafi's own cousin, Colonel Hassan Iskhali, in November 1985. He was the commander of the military base in Sirte and was the third ranking officer in the army. The army is also believed to be upset over Gaddafi's action in drafting between 1,000-2,000 "Revolutionary Guardsmen," drawn from the Revolutionary Committees, into the army.

THE MILITARY leadership is said to be divided between those sympathetic to the exile opposition groups and those who, while still nominally loyal to Gaddafi, have been pressing for a more collective leadership. The latter group is said to include Gaddafi's principal lieutenant, Major Abdel Salam Jalloud; General Abubakar Yanis Jabir (commander-in-chief of the military); Major Kweilidi al-Hemeidi (commander of the People's Militia); and Lt. Colonel Mustafa Kharroubi (chief of staff and head of military intelligence).

The army is led by two distinctive groups: officers trained in the West, and those trained in the Warsaw Pact countries. Both groups are reportedly unhappy with Gaddafi's recent policy of frequently rotating the officers to prevent any group from building up an independent base of power.

An important indication of Gaddafi's suspicions about the reliability of his army is the extent to which he has strengthened his intelligence centre established inside his own headquarters at Bab Azzaziya. It is said to be headed by Soviet General Michael Bakov, and to be manned by 85 Soviet and East German intelligence specialists.

He also appears to be concerned about the reliability and efficiency of his Revolutionary Committees. After the American attack on Tripoli last April he disbanded the coordinating committee of the Revolutionary Committee because of its failure to provide effective leadership during the attack and reports that some of its prominent figures had run for cover.



Col. Muammar Gaddafi

(Reuters)

Not the least of Gaddafi's difficulties is the state of the Libyan economy, plagued by the sharp decline in oil revenues due to falling world oil prices. As an emergency measure Libya has stopped paying its bills to Italy amounting to \$700 million. He has also asked Bonn to delay payments on the \$4.4 billion owed West Germany.

ONE OF the principal exile opposition movements, the National Front for the Salvation of Libya, held an emergency meeting in Vienna last month to review the present situation inside the country. In a statement issued after the meeting it declared that the Libyan national struggle had reached "a historic and

decisive juncture."

The Libyan opposition is made up of a number of diverse rival groups which share only a common aim in wishing to speed up the overthrow of Gaddafi.

The principal opposition group is the National Front for the Salvation of Libya with its military wing, the Salvation Forces, which was set up in 1981. It is headed by Mohammed Yusef al-Maghari (Libya's former ambassador to India); a former minister, Mohammed Duek; a former governor, Abdelmajid Seif Nasr; and a former colonel, Abdelaziz Umar Shennib. It publishes a monthly, *al-Inqadh*. Other groups include:

U.S. hostages: captors poor, uneducated

Joan Mower/Washington

TWO former hostages in Lebanon say they never saw their captors, but they learned the men who ruled their lives were poor, uneducated and deeply religious Muslims.

"The guards didn't particularly enjoy their work and told the hostages they hoped that the time would come when we would be free," said the Rev. Benjamin Weir.

In separate interviews, Weir and the Rev. Lawrence Martin Jenco recounted their impressions of the kidnappers still holding at least three other Americans.

Weir, 61, a Presbyterian minister, was released in September 1985, 10 months before Jenco, 51, was freed.

For 14 months, Weir was held in solitary confinement. He was placed

with other hostages for the last two months of captivity. Jenco, abducted on a Beirut street in January 1985, spent all but a few months in a windowless room with other Americans.

Another former hostage, Jeremy Levin, an employee of Cable News Network, said he was never permitted to associate with other captives even though he thinks he was held in the same building.

Islamic Jihad, a radical Shi'ite Muslim group believed to have ties to Iran, is thought to control the American hostages. The Jihad, or Holy War, is demanding that prisoners convicted in the bombing of U.S. and French embassies in Kuwait be released.

WEIR and Jenco said they garnered few details about their captors. "They were very reluctant to let anyone be known personally," Weir said.

But the leader was a man called "Haj." Although Haj is usually a name honouring someone who has made a pilgrimage to Mecca, Weir said the Haj they knew said he had never made the voyage.

"He was a very religious man, gentle," the Catholic priest guessed that Haj was in his middle 30s. He spoke Arabic, using an interpreter to communicate with the hostages.

"Haj would come in rarely, only when developments were going on," Jenco said. Said Weir: "He was in charge and respected, and gave directions."

Haj could also produce results. When Jenco told Haj he needed a dentist, one arrived the next day to pull a cracked tooth.

Both ex-captives said they had the impression Haj was working for someone else. "I don't think he was the leader. I think he was the spokesman for the leader," Jenco said.

Weir said he always assumed that Haj was taking orders from someone else.

ALL TOLD, the former hostages said they came in contact with as many as 30 guards, usually men in their 20s who had grown up poor and rarely attended school beyond age 10. The hostages would meet new guards as they were moved around the countryside.

"A number of the guards at various times said they wished they had more opportunity for schooling," said Weir, who lived in Lebanon for 32 years, speaks good Arabic and says he understands the Shi'ite culture.

Jenco said the guards, who rotated shifts, were Lebanese, and one told him he was from southern Lebanon. The hostages often engaged in discussions with the guards, telling them that it was unrealistic to expect 17 prisoners in Kuwait would be released.

Before the guards entered the

room to hand over food or escort the hostages to the bathroom, the Americans were instructed to tie the blindfolds around their eyes.

Once a guard brought a young child into the 4-by-5-metre room where the hostages were kept. Weir, unable to see, said he knocked her down and she cried.

ALTHOUGH the guards were armed with pistols and automatic weapons, they often showed kindness to their captives, such as treating them to fresh popcorn or ice cream. But they could be tough, too.

The captors confiscated rough playing cards that fellow hostage Terry Anderson, chief Middle East correspondent for the Associated Press, had fabricated from cardboard, and they prohibited the hostages from listening to short-wave radio broadcasts in early 1986.

The guards were apparently paid a monthly wage and given money to buy food for the hostages.

"Things tended to get a bit lean toward the end of the month," Weir said.

The other missing Americans are David Jacobsen, 55, administrator of the American University Hospital in Beirut, Thomas Sutherland, 55, acting dean of the university's agriculture school, and William Buckley, 56, U.S. embassy political officer.

On October 4, Jihad claimed that they had killed Buckley, but no body has been produced.

(Associated Press)

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BASEBALL

Ryan rough on Reds, Sox make it 9 straight

NEW YORK (AP). — Nolan Ryan turned up the heat and cooled off Cincinnati's chances of catching the Houston Astros in the National League West. Ryan struck out 10 during six shutout innings and combined with Charlie Kerfeld on a three-hitter on Monday night as the Astros outdistanced the Reds 3-1.

The victory, the third straight for Houston, gave them a more-than-commanding nine-game lead over second-place Cincinnati in what had until this week threatened to become a tight race.

Expos 9, Mets 1
Rookie Bob Sebra pitched a five-hitter and Mitch Webster connected for a two-run homer as Montreal rapped 16 hits and stopped New York's four-game winning streak.

Pirates 3, Cardinals 2
Bob Patterson won his first Major League start and Hipolito Pena got his first career save as Pittsburgh beat St. Louis.

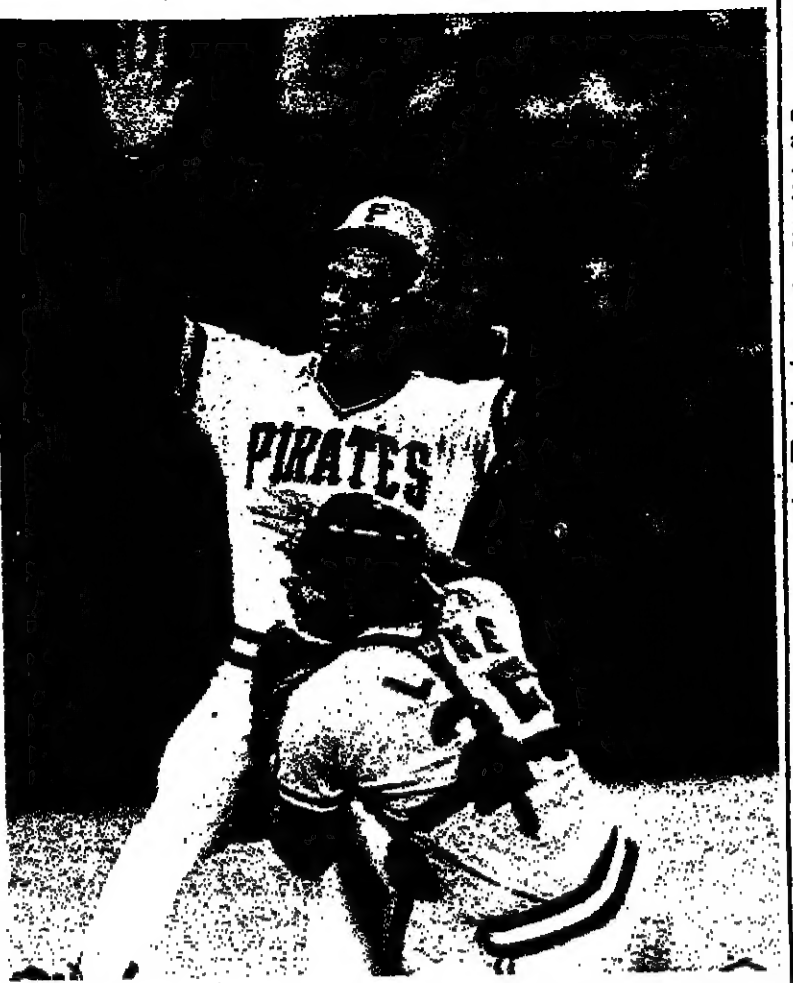
Cubs 7, Phillies 4
Leon Durham hit a three-run homer and Keith Moreland drove in two runs, leading Chicago past visiting Philadelphia.

Giants 4, Padres 3
Candy Maldonado had three doubles and drove in two runs, and rookie pitcher Terry Mulholland won his first big league game in seven tries as San Francisco topped visiting San Diego.

Dodgers 7, Braves 0
Bob Welch pitched a four-hitter and Mike Scioscia's solo home run ignited a three-run fifth inning as hosts Los Angeles defeated Atlanta.

AMERICAN LEAGUE
Royals 5, Twins 0
Dennis Leonard, who had lost seven straight games, won for the first time since June 4 with a shutout of the Twins.

Red Sox 9, Orioles 3
Bill Buckner double. Wade Boggs home with the tie-breaking run, touching off Boston's six-run rally against Baltimore relief ace Don Aase in the 11th inning, as the Red Sox defeated the Orioles 9-3 and extended their winning streak to nine.



BLOCKED. — Pirates' Mike Diaz is tagged out at the plate by the Cards' Steve Lake after Diaz tried to score on a hit to center field by Tony Pena. Pittsburgh beat St. Louis 3-2. (Reuters telephoto)

NATIONAL LEAGUE EAST					AMERICAN LEAGUE EAST				
	W	L	Pct.	GB		W	L	Pct.	GB
New York	92	45	.672	—	Boston	83	54	.606	—
Philadelphia	71	66	.515	21	Toronto	70	61	.535	7
Montreal	67	68	.496	24	New York	72	65	.523	11
St. Louis	68	69	.496	24	Detroit	71	67	.514	12 1/2
Chicago	57	80	.415	35	Cleveland	69	69	.500	14 1/2
Pittsburgh	56	80	.412	35 1/2	Baltimore	67	70	.489	16
					Milwaukee	65	71	.478	17 1/2

WEST DIVISION					WEST DIVISION				
	W	L	Pct.	GB		W	L	Pct.	GB
Houston	79	58	.577	—	California	78	58	.574	—
Cincinnati	70	67	.511	9	Los Angeles	71	66	.518	7 1/2
San Francisco	69	68	.500	10 1/2	Oakland	66	73	.471	14
Los Angeles	65	72	.474	14	Kansas City	64	74	.464	15
Atlanta	64	72	.471	14 1/2	Seattle	61	77	.442	18
San Diego	63	75	.457	16 1/2	Chicago	60	76	.441	18
					Minnesota	58	79	.423	20 1/2

MONDAY'S GAMES: Chicago 7, Philadelphia 4; Montreal 5, New York 1; Pittsburgh 3, St. Louis 2; Houston 3, Cincinnati 1; Los Angeles 7, Atlanta 6; San Francisco 4, San Diego 3.

MONDAY'S GAMES: Boston 9, Baltimore 3; 11 innings; Kansas City 5, Minnesota 6; only games scheduled.

SOCCER

European championships under way

LONDON (AP). — The qualifying competition for the 1988 European championship opens tonight with France starting the defence of their title in Reykjavik against Iceland, one of five games spread across the continent.

Between now and the end of next year, 116 matches embracing 32 nations will be played to find the seven teams joining hosts West Germany in the finals of a tournament traditionally rated as second only to the World Cup in international prestige.

Indeed, with only one team going through from each group, reaching the European finals can often prove more difficult than getting into the World Cup.

France have never managed to qualify for the final phase and only took part in the 1986 tournament by virtue of hosting the tournament, which assured them an automatic berth.

In tonight's other games Wales play Finland, Scotland host Bulgaria, five play Belgium in Brussels and Romania entertain Austria.

The penalty last Sunday gave Atletico Madrid a late equaliser after trailing 1-0 at home to Espanol. The match finished 1-1.

AMERICAN FOOTBALL

Walker takes Cowboys for a ride over Giants

IRVING, Texas (AP). — NFL newcomer Herschel Walker, subbing for the injured Tony Dorsett, scored two touchdowns, including a 10-yard burst up the middle with 1:16 to play, to carry the Dallas Cowboys to a 31-28 victory over the New York Giants in Monday night's NFL game here.

Walker, one of the brightest USFL stars who last month signed a five-year \$5m. contract with the Cowboys, capped a 72-yard drive with his run up the middle. He had been pressed into duty because Dorsett, who sprained his left ankle in the first period, was held out of the second half.

CRICKET

Botham chosen for tour Down Under

LONDON (AP). — All-rounder Ian Botham was named to a revamped England Team yesterday for this winter's cricket tour of Australia.

Botham, banned from Test and first-class county matches for much of this summer because of an admission that he had smoked marijuana, was selected by the Test and County Cricket Board for the squad, led by captain Mike Gatting.

John Emburey, Gatting's county teammate at Middlesex, was named vice-captain.

The team also contains three players making their Test debuts — batsman James Whitaker, wicket keeper Jack Richards and all-rounder Phillip De Fries, at 26 years old the youngest member of the squad.

Also chosen for the squad, all with previous Test experience, were Chris Broad, WBT Slack, David Gower, Allan Lamb, Bruce French, Phil Edwards, Neil Foster, Graham Dilley and Gladstone Small.

In Sri Lanka, an unbeaten knock of 90 by captain Alan Border steered Australia to a narrow victory over India here yesterday.

India had won the first international in the current six-match series by seven wickets.

Yesterday's match had an exciting finish with just one over to spare. Set to score 223 runs to win in 47 overs, the visitors reached the target losing seven wickets.

Fine tour for 'Blue Stars'

TEL AVIV. — The "Blue Stars" club from Israel put up a highly creditable performance at the just-concluded second Golden Oldies International Cricket Festival in Sussex, England, with the highlight a magnificent 122 in 90 minutes from their captain Issac Solomon, against a team from Wellington.

The tourists — made up mainly of members of Young Ramle — played all their three games against good-class New Zealand clubs, winning one and losing another, while in the third fixture rain robbed them of an almost certain victory.

A total of 36 clubs from a dozen countries took part in the star-studded event, sponsored by Air New Zealand. Tour organizers David Ben-Yehosh and on the team's return home, that he has already accepted an invitation for the Blue Stars to participate in the third such festival, being held in Brisbane, Australia, in 1988.

ATP computer, will head the seedings in the 32-strong main singles draw, with his American compatriot Krickstein (tournament winner in 1983 and 1984) in third place behind Kent Carlsson of Sweden.

South Africans Christo Steyn and Eddie Edwards are respectively fourth and sixth in the seedings, with Sweden's Peter Lundgren sandwiched between them. Closing the list are Israeli Amos Mansdorf (currently 77th in the world rankings) and Mark Dickson of the U.S.

The only other Israeli among the direct entries is Shahar Perlis. But ITC executive president Ian Froman

Maccabi Tel Aviv off to a stylish start

Post Sports Reporter

TEL AVIV. — Maccabi Tel Aviv last night won the Yehuda Lillian Cup soccer competition with a 2-1 comeback victory over Maccabi Haifa at the Ramat Gan Stadium.

The win was Maccabi Tel Aviv's third in succession in pre-season games, indicating that the Tel Avivians will be a force to be reckoned with in the coming league season.

After an evenly fought and scoreless first half, Haifa threw all into attack with the opening of the second half. The pressure was rewarded in the 74th minute when Moshe Selektor opened the scoring. But the Haifa lead lasted only one

minute. Oded Machness, Maccabi

Tel Aviv's new signing, who took the field only six minutes earlier, got the equalizer.

Two minutes later, a shot by Eli Dricks was cleared off the goal line by a Haifa defender. In the 79th minute, David Azulai, also a new comer for Tel Aviv from Betar Jerusalem, lobbed the winning goal over Haifa keeper Avi Ran.

In an earlier game to decide third place, Hapoel Tel Aviv beat Betar Jerusalem 1-0. The winning goal was scored by Ya'acov Eckhaus in the 81st minute. Miki Ben-Shitrit made his debut for Hapoel as a striker in the game.

The Referees' Association, announcing the ban, said penalties could not be taken until the players were correctly positioned and that if N'komo was wasting time, he should have been shown a yellow card or sent off.

Garcia de Loza said after the match that the Espanol goalkeeper, Cameroon international Thomas N'komo, had been wasting time so he ordered the kick to be taken.

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Johnson: will he be healthy?



SLAM! — Lee Johnson in full flight. (Gutmann)

TEL AVIV. — Lee Johnson's health problems have champions Maccabi Tel Aviv in a bind. Shimon Mizrahi, president of the Maccabi basketball club, announced late yesterday afternoon that Johnson is still a member of the team, scotching press reports that the imported star was about to be cut.

Speculation continues, however, as to how long Maccabi will keep Johnson on the roster.

The state of Johnson's health is still unclear, and more time is needed for additional tests. Mizrahi noted that Maccabi have begun to look for a potential replacement, although it is the club's hope that Johnson will be declared fit and able to compete in the coming season.

Maccabi's problem is a lack of time. Next Monday is the deadline for registering foreign contract players in the National League. After that date they cannot make any roster changes among their foreign players.



IMPASSE. — Yang Xiaojun (10) of China blocks a shot from Japan's Umetsu Kazumi during the semi-final match at the Women's World Volleyball Championships which China won 3-0. (Reuters telephoto)



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World shooting record

EAST BERLIN (Reuters). — East German Anke Voelker equalled the women's air pistol world record of 387 points to win the gold medal at the World Shooting Championships.

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World shooting record

Free-trade accord paved way to Polgat, Van Heusen venture

By HAROLD ROSE

Even with protectionist pressure approaching critical mass in Washington, Philip Van Heusen Corp. has made a commercial pilgrimage to Israel. In a deal made possible by the U.S.-Israel free-trade area (FTA) agreement, the New York-based shirtmaker has teamed with Polgat Industries Ltd. to produce shirts in Israel for the American market.

Through its newly forged links with Polgat, Van Heusen has become the first U.S. company to take

move into Israel it considered buying the apparel production facilities of Ala Textile Co., one of Israel's largest textile and clothing manufacturers until it went under in 1984. But when the Israeli government refused to sell the apparel facilities separately from the textile plant, Van Heusen decided to go the joint-venture route.

According to Klatsky, Van Heusen turned to Polgat because "they were the largest textile and apparel conglomerate in Israel. They were the most receptive to the joint-venture approach and the fastest to react." After more than six months of negotiations the two companies reached an agreement.

Under the accord, Polgat will spend about \$3 million, including start-up costs, to expand an existing plant in Sderot especially for the Van Heusen line. The plant will begin production next April and at full capacity will employ 500 workers and produce 1.8 million shirts a year.

Van Heusen will advise Polgat on how to set up the plant, what machinery and methods to use and where to purchase the right fabrics. "We have produced garments for many years," a top Polgat executive said, "but every product has a specific technology... Van Heusen's involvement will be in planning the enterprise to fit their specific line of shirts."

advantage of the reduced tariffs offered by the trade accord and the quota-free status currently enjoyed by Israel's clothing exports to the U.S. But industry and government sources doubt that the Van Heusen deal heralds a new role for Israel as a major source of production for U.S. apparel importers.

According to Bruce Klatsky, Van Heusen's chairman and chief executive officer, his company first began considering production in Israel about two years ago as part of Van Heusen's efforts to expand its "international sourcing mix." Van Heusen found Israel's labour costs attractive, and it was impressed by the efficiency of Israeli producers.

"But the catalyst was definitely the free-trade-area agreement," Klatsky said. "The existence of the FTA puts Israel in a competitive situation because the duties and tariffs on shirts will be reduced over time and production there will become cost effective."

Under the terms of the FTA, the tariffs on Israeli apparel entering the U.S. are being eliminated in stages. Some items, such as the shirts Polgat will produce for Van Heusen, became duty-free when the FTA went into effect last September. Other types of clothing will enter the U.S. freely only in 1989, after a three-step reduction process, while a third group is going through a series of eight reductions over 10 years.

When Van Heusen first decided to

cant producers of the fabrics Van Heusen uses.

Although the Van Heusen-Polgat deal will give Israeli clothing exports to the U.S. a significant boost and may attract other American manufacturers, industry and government observers believe that U.S. import quotas, limited Israeli production capacity and other market factors are likely to prevent Israel from becoming a major supplier of apparel to the U.S.

Van Heusen's Klatsky argued that a sharp increase in Israeli apparel exports eventually would induce Washington to impose import quotas in Israel. "The U.S. govern-

'The U.S. government is closely monitoring the importation of clothing ... and when Israel reaches a sensitive level, there will be quotas.'

ment is very closely monitoring the importation of clothing into the U.S.," he said, "and when Israel reaches a sensitive level, there will be quotas."

A Polgat executive was less pessimistic about quotas, but only because he saw little chance that Israeli exports would reach a sensitive level. In 1985, Israeli clothing exports to the U.S. totaled only \$70m., he noted. "Compared to the Far East, it's peanuts."

Israel's small work force imposes a natural limitation on the country's ability to export clothing, the executive said.

Gaviella Cohen, chief economist of the Foreign Trade Administration, said the weakness of the dollar against the European currencies would attract Israeli production to the European market and limit the expansion of clothing exports to the U.S. "We also have the European market," she said, "and lately it's been more profitable to sell there."

She also pointed out that Israeli clothing exporters specialized in high-ticket, low volume items, such as bathing suits, rather than in the mass consumption apparel pouring out of the Far East.

"Our exports to the U.S. are very small," Cohen said. "The U.S. market should become more important, there should be a continuous increase... but I don't think it will be anything dramatic."

The writer reports on economics and business out of Jerusalem.



Grist for the mill: Soviet factories, like this steel plant in Kazakhstan, will be the subject of stepped-up investment, but the Soviets may have difficulty raising the funds. (UPI)

Fundraising problems arise with trade woes

Soviet reforms face hurdles

MOSCOW (Reuters). - Eighteen months into his rule, Soviet leader Mikhail Gorbachev is finding that problems in oil, agriculture and foreign trade are proving obstacles to his plans to revive the economy.

Specialists at Western embassies in Moscow say it is wrong to speak of a crisis in the Soviet economy. But Gorbachev will have an uphill task in achieving the transformations envisaged in the new 1986-1990 five-year plan.

"There is no need to be apocalyptic about it, and after all the Soviet economy has been through much worse periods," one diplomat said. "But the question marks are there, and they are not going away."

Soviet economic strategists appear to have decided on a three-pronged approach to the foreign trade problems. First, they are looking to sell more gold, diamonds and other metals to raise foreign exchange.

Secondly, they are turning to Eastern European countries as alternative suppliers of the industrial goods that would previously have been bought from the West.

Thirdly, they are increasing borrowing on international credit markets. In May alone, Moscow took on \$550 million in new loans, according to the Vienna Institute for Comparative Economic Studies.

Western economists say bigger sales of precious metals carried the risk of depressing world prices while

the Eastern European equipment

might not always be up to scratch. The borrowing option looked the best in theory, given the large Soviet foreign exchange reserves, they say. But Moscow has always been cautious in building up debts to the West and remains "massively under-borrowed" for an economy of its size.

One of the biggest problems for Moscow since late 1983 has been oil. The Soviet Union, which in recent years has depended on oil exports for 60 per cent of its foreign exchange earnings, has lost billions of dollars in income because of the collapse in world prices since last November.

The Organization of Petroleum Exporting Countries is hoping that prices will rise by cutting production as it has done, starting last week. But Western economists say Moscow still stands to lose between \$6 billion and \$7b. in revenue this year, equal to between a quarter and a third of foreign exchange earnings in 1985.

Economists say it was clear from official trade figures that imports of Western industrial equipment were suffering as a result. Imports from the West fell by 12.5 per cent from January to March this year to \$6.31b. from \$7.21b.

Exports, meanwhile, fell by 5 per cent to \$4.53b. from \$4.77b. The resulting trade deficit with the West was \$1.78b.

The revenue losses could be offset

if Moscow reduced its grain imports. But the U.S. Department of Agriculture estimates the 1986 Soviet harvest will come to 180 million metric tons from 185 million last year. Moscow will need to buy 36 million metric tons to make up the shortfall, it estimated.

The big headache for the Gorbachev leadership is that the difficulties in foreign trade have come at a time when large investments are planned in domestic sectors such as energy, agriculture and heavy industry.

The five-year plan foresees the modernization of existing enterprises rather than construction of completely new plants. But Western diplomats question whether the investment targets can be achieved given the intense competition for resources.

The leadership has also promised more and better consumer goods. But Western economists say a study of Prime Minister Nikolai Ryzhkov's speech at the Communist Party Congress last March showed the Kremlin's priority was industrial investment.

Diplomats say overall Soviet economic strategy suffered from the continuing power of conservative Moscow-based institutions. The new leadership, they say, has so far not taken decisions that would seriously challenge the central party bureaucracy's control over the economy.

TOURISM BRIEFS/Greer Fay Cashman

Towel thief returns goods to hotel

Stephen Ayers, the general manager of the recently opened Sport Hotel in Eilat, last month received a parcel from Jerusalem.

In it were two towels which had been taken by one of the hotel's first guests. The young man who apparently stole them saw no harm in what he was doing, but his parents were mortified by his behaviour. One of them sent a letter of apology with the towels, signing it "Shamefaced Citizen."

Meanwhile, at Eilat's King Solomon's Palace Hotel a detector designed to spot objects being taken out of the hotel has been installed.

The device emits a signal when objects such as towels and ashtrays containing electronic implants pass by it. General Manager Daniel Roger reports that so far the hotel has been lenient in filing theft charges but has posted notices in prominent places in the hotel warning guests.

ABOUT 35,000 ISRAELIS stayed at the Dan chain's eight hotels this summer. Figures released by the company this month show. Ami Federmann, general manager of the chain, said the figure marked a 20 per cent increase from last summer.

TEL AVIV'S Association for Tourism is undertaking a major promotion campaign in October and November to bolster winter tourism to Tel Aviv. General Manager Yossi Adar will be spreading the good word in Britain, while his assistant Tzippa Gov will tour the U.S.

JERUSALEM'S KING SOLOMON Hotel has yet another new general manager - the fourth since the end of last year. Rico Rosenthal, formerly general manager of the Ramada Renaissance, was this week appointed general manager of the King Solomon succeeding Hayim Haviv, who left after barely two months at the helm.

Japan shows signs of renewed growth

TOKYO (Reuters). - Japan's economy bounced back in the second quarter of the year, but even government economists said they doubted that it would be enough for Tokyo to hit its 1986-87 growth forecast.

The Economic Planning Agency reported yesterday that the country's total economic output rose nearly 1 per cent in the second quarter, after a sharp 0.5 per cent fall in the first three months - the worst performance for 11 years.

Platinum prices fall back sharply

LONDON (Reuters). - Platinum prices are tumbling in what looks as if it may be an expected reaction to a boom that has seen investors snap up the rare precious metal in recent weeks.

The price of gold, which has also surged recently, was also weaker yesterday but not as much, dealers reported. "I think the bright money is departing from platinum and going to gold," said analyst Alan Davison of Shearson Lehman Brothers. Usually much more volatile, the

platinum price was falling for the second straight day and was set in London closed yesterday at \$622.50 an ounce, compared with \$663.75 Monday afternoon. Gold finished at \$411 an ounce, compared with its recent peak on Friday of \$425.

One dealer said the heavy platinum sales so far this week, mainly on the highly speculative U.S. platinum futures market, were a result of the speculators taking their profits, not a liquidation of longer-term platinum holdings by investors.



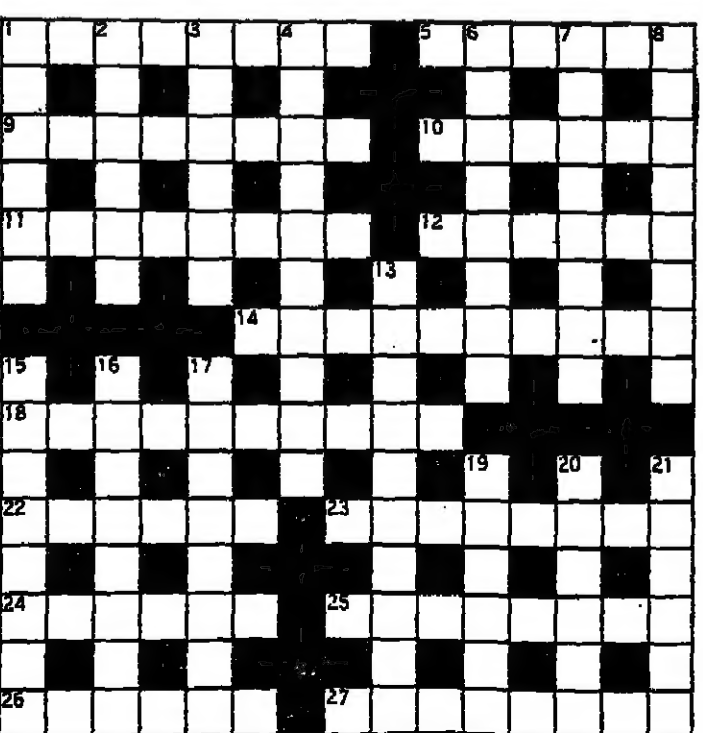
ONE-ON-ONE CROSSWORD

ACROSS

- 1 Level angle of ray, for instance (4-4)
- 5 Corporation puts article in magazine (6)
- 9 One up a tree leaving no traces, possibly (8)
- 10 Enter house and taste pint inside (4,2)
- 11 Abnormal way for poet to set his tariff? (8)
- 12 Present cheek to Olympic finalists in the French way (6)
- 14 Sept letter—debt cancelled (7,3)
- 18 Foreign ref translated this index (10)
- 22 Second extensive test (6)
- 23 I shaved badly, with energy—I need this sort of plaster (8)
- 24 Beadle's charge, wanted more (6)
- 25 Fury after closure? Try compromise! (8)
- 28 Cruise, sounds like just the thing for the blues (6)
- 27 Pierre set free on day of victory in this pardon (8)

DOWN

- 1 Little fellow on paper-round is chilled (6)
- 2 Agreement of a county council over ring-road (6)
- 3 Promote nurse (6)
- 4 Recognize one's rights in such a budget? (10)
- 6 Pangolin, a worker-consumer? (8)
- 7 Former gold coin used for card-game (8)
- 8 Give over part of sleeve to secure prisoner (8)
- 13 People turning out at stroke of 22.00 hrs, going to ball (10)
- 15 Getting into deep water, cricket-side needs support (8)
- 16 Walking solidly, vagrant at home by midnight (8)
- 17 Being rich makes a fellow very chatty (8)
- 19 Take off about 2 (6)
- 20 Burn fifty in 1 (6)
- 21 Rank academic award (6)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Teger, 33 Keren Kavenet, 638893; Balzom, Salah Eddin, 272715; Shu'afat, Shu'afat Road, 810106; Dar Aidawa, Herod's Gate, 282058. Tel Aviv: Lav Ha'ir, 69 Ahad Ha'am, 613602; Kupat Holim Clalit, 7 Amsterdam, 225142. Netanya: Hanassi, 36 Sdorat Weizman, 22639. Haifa: Kiyat Eliezer, 6 Kikar Meyerhoff, 511707.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, obstetrics, ophthalmology, E.N.T.), Hadassah Socio (surgery, orthopedics). Tel Aviv: Rabin (pediatrics), Ichilov (internal, surgery). Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem *523133 Ashkelon 23333 Kiron 344442 Bat Yam *651111 Kiryat Shmona *443333 Beersheba 74787 Nahariya *923333 Carmiel *988555 Netanya *233333 Dan Region *781111 Patah Tikva *923111 Eilat 7233 Rehovot *451333 Hadera 22333 Rishon LeZion 942333 Haifa *512233 Safed 30333 Hatzor 35333 Tel Aviv *240111 Holon 803133 Tibersa *90111

* Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Eran" - Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 281111/2, Haifa 672222, Beersheba 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem - 245584, and Haifa 382811.

Jerusalem Institute for Drug Problems, Tel. 663826, 663902, 14 Berhlehem Rd.

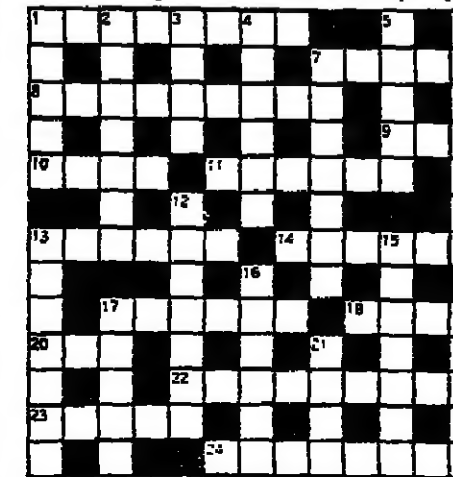
The National Poison Control Centre at Rambam Hospital, phone (04) 252206, for emergency calls, 24 hours a day, for information in case of poisoning. Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 6 p.m. Friday 8 a.m. to 3 p.m.

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24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

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ACROSS: 1 Masters, 5 Witch, 8 Range, 9 Ordered, 10 Yachtsman, 12 Ado, 13 Shandy, 14 Dwells, 17 Oak, 18 Explained, 20 Removed, 21 Knave, 23 Nanny, 24 Sadness. DOWN: 1 Mercy, 2 Sin, 3 Elected, 4 Stormy, 5 Widen, 6 Tarpania, 7 Hideos, 11 Crackman, 13 Sporan, 15 Wicked, 16 Spades, 18 Envoy, 19 Dress, 22 Axe.

"LA CONCORDE"

COMPAGNIE D'ASSURANCE CONTRE LES RISQUES DE TOUTE NATURE-PARIS
(In French France)
CONDENSED HEAD OFFICE BALANCE SHEET, AS AT DECEMBER 31, 1985

1984	1985	1984	1985
452,836,821	564,981,903	2,402,782,633	2,072,163,844
991,811,825	1,141,266,508	771,365,204	803,582,794
2,234,192,955	2,403,193,453	1,383,568,968	1,217,206,174
880,286,394	883,188,948		
4,568,727,795	4,982,834,812	4,988,727,795	4,682,634,812

STATISTICAL INFORMATION IN RESPECT OF GENERAL INSURANCE REVENUE AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 1985

1,925,958,634	2,151,567,310
(254,261,800)	(255,982,174)
299,580,245	383,769,579
35,914,512	36,875,889
78,262,952	128,863,294

STATISTICAL INFORMATION IN RESPECT OF GENERAL INSURANCE REVENUE AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 1985

(In thousands of Israeli Shekels)	
377,157	213,526
(338,494)	(555,864)
54,747	(717,732)
(23,937)	(1,273,586)
(362,431)	

INVESTMENT POSITION IN ISRAEL AS AT DECEMBER 31, 1985

535,736	1,250,244
54,747	207,436
(470,989)	(1,042,808)

NOTE: Complete and detailed Financial Statements, together with the Directors' report and also Auditors' Report thereon are available at the Office of the Principle Agents - Standard Insurance Ltd., 120 Allenby Road, Tel Aviv.

AGENTS OF THE COMPANY IN ISRAEL
Standard Insurance Ltd.

Investment Opportunity: AUSTRALIA

A large, old established, Australian company is now distributing Israeli, advanced - technology products, and seeks to increase its product and investment range.

Quick references: F. Kotzier
Israel Consul for Economic
Affairs, Sydney

Interested manufacturers and inventors should contact:

Global Technology Limited
P.O. Box 082,
Queen Victoria Bldg,
Sydney, Australia 2000
Tel. 02-267-9422 Fax: 02-267-8831
Telex: 02-71070

MARKET PLACE

PINHAS LANDAU

Strike One for Nissim

We have read and heard of the "big bang" that other countries are planning for their capital markets. Optimists thought it might happen here sometime, maybe in their children's or grandchildren's days, if not in their own...

Yesterday, however, Moshe Nissim brought the prospect of genuine capital market reform considerably closer to reality than it has ever been before. What we want to concentrate on is the introduction to his proposals, as stated on the record before a Knesset committee.

He said: "The long-term policy in the capital market will be directed at bringing the structure of the capital market and its method of operation to that which is accepted in Western countries, taking account of the size of the Israeli economy and its special characteristics."

There you have it, finally. A finance minister has openly and officially said the aim is to make a key sector of the economy work along Western norms. Nissim did not, as the radio loosely presented his ideas, suggest that our markets have to be Americanized. He said "Western," a much less precise definition than "American," since the Belgian and Italian markets are certainly Western, but are a very far cry from the American model. Even the more advanced German and Swiss markets are backward by comparison with the U.S., while the underlying theme of the entire "big bang" in London is to make the City more American.

To repeat, then, Nissim chose his words carefully. He said we should be "Western," which is a reasonable goal, not "American," which is irrelevant to our circumstances, and — as he indicated — to the relative size of the economy.

What then is "Western"? The finance minister did not leave this open to interpretation, but went on to specify exactly what he meant in the very next sentence: "The capital market must be controlled by market forces and not by government intervention, so that savings are used primarily to finance private-sector investments and only a part of them for the financing of the state budget."

That is a fair enough definition of the common feature of Western capital markets. They differ widely in scope, structure, operation, regulatory methods and every other aspect, but this basic fundamental holds true in all of them.

To the best of our knowledge, no previous Israeli finance minister has said anything similar in the past, although some may have agreed with this strategy.

Nissim capped the declaration of intent with a fairly detailed series of specific reforms which the Treasury, in conjunction with the Bank of Israel, intends to implement, albeit gradually.

What was lacking was a timetable for action. That the whole system cannot be turned upside down by next week is fairly obvious to everyone. But gradual and step-by-step implementation is vague to the point of incoherence. There needs to be a follow-up in the form of an initial set of actions, and this should come no later than the minister's return from the U.S., where he is intent on showing George Shultz and his crew that he, too, means business in the area of economic reforms.

For the moment, the ideological and policy importance of what was said yesterday — and approved in principle by the committee — cannot be overestimated. It could be the turning-point in the long-running debate on capital market reform, which has become so clichéd as to be almost a self-parody. If we get action to suit the words then it may be said that something fundamental has indeed changed in the Israeli economy, and for the better.

U.S. threatens to quit trade talks

WASHINGTON (AP). — The U.S. may walk away from a proposed new round of world trade talks if certain items, including agriculture and services, are excluded from the agenda, Special Trade Representative Clayton Yeutter said Monday.

"I'm not going to come home with half a loaf," Yeutter told reporters at a briefing on next week's 93-nation trade conference in Uruguay.

A new round of global trade negotiations, under the auspices of the General Agreement on Tariffs and Trade, or GATT, has long been a key element in President Reagan's trade policy. However, Yeutter on Monday voiced publicly a fear that many U.S. trade officials have been sounding for some time: the possibility that next week's meeting on a new trade round might collapse entirely.

LOAN. — The IMF approved a \$1.6 billion loan for Mexico, as part of an overall \$12b. financing programme for next year to help it repay its debt.

Ministerial panel gives nod to capital-market overhaul

By AVI TEMKIN

In a surprise move, Finance Minister Moshe Nissim yesterday won approval from a special ministerial panel for a major shake-up of the capital markets, aimed at paring back the government's role.

The committee had expected to discuss the recommendations of the Bejski Commission at yesterday's meeting. Instead, they came away approving a wide-ranging overhaul of financial markets outlined in a detailed proposal written up by the Treasury.

Nissim promised the returns would be executed gradually, since the government is still constrained by its financial needs. He added that the proposals would be open to public debate and that the bodies that will be affected by the changes will be consulted.

The proposals involve changes in nine major areas where the government plays a major role in the capital market:

- The amount of funds that the government will be permitted to raise in the capital market will be limited to only the sum needed to finance its deficit and the refinancing of the internal debt. The Treasury in the past has raised funds in excess of that.

- Fundraising by the government will no longer be conducted on privileged terms. Institutional investors and financial bodies will no longer be forced to invest most of their money

in government securities and the use of tax exemptions to encourage the purchase of government bonds will be sharply cut back. This will enable private firms and investors to compete with the government for the public's savings.

- The weight of tradeable government bonds will be increased, and the government will gradually stop selling special non-tradeable bonds to cover for saving schemes.

- The Treasury will also gradually reduce its reliance on indexed bonds, bringing with it an increase in the portion of un-linked bonds that yield a nominal rate of interest. In the first stage this change will cover only short-term bonds, but it will gradually be extended to long-term ones.

- The government will cease functioning as an intermediary between savers and investors. Private companies will be able to raise capital directly, either by issuing bonds or borrowing from financial institutions. At the same time the Treasury said it would reconsider the policy regarding fund-raising abroad by private firms.

- Interest-rate differences paid by different users of government credits will be narrowed sharply, leading, the Treasury said, to a large reduction in the administrative breakdown of the capital market.

Interest rates will be set by market forces, and there will be a marked decrease in discriminatory tax prac-

tices in the capital market, which the Treasury said, would entail examining the tax rules applying to the capital market.

- The government will encourage competition among companies and financial institutions operating in the capital market. The Treasury said this would require an investigation into the degree of control financial bodies will exercise on the market and the scope of their operations.

- Institutional and legal arrangements will be set up adapted to the proposed changes. Greater powers will be given to supervisory bodies to prevent conflicts of interest and to protect investors.

- Investment will be encouraged through grants and tax benefits, not through directed subsidized credits. In the longer term, the government will intervene to encourage private investments only in exceptional cases, out of social or national considerations.

Nissim said at yesterday's meeting that the long-term policy of the government would be directed towards reshaping the capital market to make its structure and operation similar to those of Western countries. "The capital market must be dominated by market forces and not by administrative measures," he said.

Nissim noted that the large reduction in the government deficit in the last year presents a suitable background for the implementation of the planned reform.

Lautman blasts gov't's policy on economy

By MICHAEL YUDELMAN

TEL AVIV. — This year will mark the nadir in Israel's economic growth, despite the stability achieved by the reduction of inflation, Manufacturers Association President Dov Lautman told reporters yesterday.

Israel does not need special financial aid from the U.S. and could double its production and exports within four to five years, Lautman contended, if the government took the right measures.

The economic stabilization programme, which has slowed inflation, has failed to spur any growth or even narrow the trade deficit, Lautman said at a press conference opening the association's annual convention.

Unless immediate measures are taken to correct the situation, the economy will deteriorate, he warned.

"The economic programme has failed, so far, in a major factor — the trade balance. Not only has the gap between imports and exports not been maintained, it has grown considerably, despite the drastic drop in fuel prices, world interest rates and the weakening of the dollar," he said.

Lautman blasted Finance Ministry and Bank of Israel officials who have advised exporters to abandon their American markets, due to the weakening of the dollar and move to European markets.

"These are probably the same people who advised exporters in the past to abandon their European markets for American ones," he said. "Trade relations and markets are built over years, requiring trust and credibility. If we do as they say, we shall lose all our American markets and credibility. Besides, electronic high-tech products are not like oranges, which can be diverted from one port to another, because the latter pays an extra two cents a crate."

Merchandise imports climbed 17.5% in month

By AVI TEMKIN

Post Economic Reporter
Merchandise imports continued to increase, the Central Bureau of Statistics reported yesterday, with an August imports of goods rise of 17.5 per cent to \$675 million, from \$576m. 2 years earlier. The bureau added that in the first eight months of the

year imports totalled \$5.9 billion, 14 per cent more than in the same period in 1985.

The bureau's figures showed that in the last three months, there was a 13 per cent rise in imports from the previous quarter and an 18 per cent, compared with the last three months of 1985.

Imports of consumer goods totalled \$612m. in the first eight months of the year, a rise of 55.4 per cent from the same period last year. This included a rise of 88 per cent in the imports of consumer durables, which totalled \$261m. in the January-August period.

BUSINESS BRIEFS

Nissim begins 2-week visit to U.S. tomorrow

Finance Minister Moshe Nissim leaves tomorrow for the U.S. for a two-week visit, during which he will meet with Secretary of State George Shultz and Treasury Secretary James Baker, the Finance Ministry said Tuesday.

Nissim's trip is the first of several by a host of economic policy-making officials to the U.S. capital scheduled over the next several weeks. It is likely that important decisions regarding the future of economic policy will be formulated during talks with members of the Reagan administration and government agencies.

Among those expected to be in the U.S. are Treasury Director-General Emmanuel Sharon, who will be in Washington at the end of the month, and Treasury Accountant-General Arye Sher, who will be in the capital to attend an Israel Bonds meeting. Bank of Israel Governor Michael Bruno, as well as the heads of several of the commercial banks, will be in Washington later in September for a meeting of the International Monetary Fund.

TWO DEVELOPMENT projects for downtown Haifa were approved at a meeting between municipal officials and three ministers Tuesday night.

Approval was granted for 66,000 square metres of public institutions, and office and commercial space in the Shikmona area opposite the Zim building. It will be developed by private entrepreneurs.

In the Wadi Salib neighbourhood, an artists colony will be developed through the sales of plots via tender by the Israel Lands Administration. The I.L.A. will also undertake to develop the area's infrastructure.

AMCOR LTD. is stepping up production of refrigerators and deep freezers to 8,000 a month from 6,000, in an effort to catch up with rising demand, the company said yesterday.

The appliance makers aim to cut the waiting time for the two appliances from the current six months to four months. Some 24,000 people are waiting for one appliance or the other.

The increased production is being facilitated by a labour settlement recently arrived at that will increase worker productivity and allow Amcor to take on dozens of new employees, the company said.

TWO TOP U.S. OFFICIALS, Trade Representative Clayton Yeutter and Deputy Secretary of Commerce Clarence Brown, will be among the guests at the Israel-America Trade Week conference in November. The conference will include panels on trade, investment and cooperative projects between companies in the two countries.

COINS. — The first U.S. gold coins in more than half a century were minted in West Point Monday by Treasury Secretary James Baker. The coins, aimed at investors, are intended to rival the South African Kruggerand.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	116.32 -0.12%
Non-Bank Index	147.78 -0.75%
Arrangement	103.82 -0.26%
Insurance	180.35 -1.27%
Commerce, Services	179.40 -0.52%
Real Estate	183.47 -1.04%
Industrial	134.52 -0.89%
Textiles	185.67 -1.54%
Metals	132.74 -1.36%
Electronics	140.25 -1.26%
Chemicals	117.38 -0.57%
Industrial Invest.	142.82 -0.44%
Investment Cos.	109.59 -0.18%
General Bond Index	111.22 -0.17%
Index-linked Bonds	115.07 -0.16%
Fully-linked	108.85 -0.20%
Partially-linked	94.11 -0.29%
Dollar-linked Bonds	108.59 -0.06%
Short-term 0-2 yrs	108.95 -0.23%
Medium-term 2-5 yrs	104.48 -0.16%
Long-term 5+ yrs	

Turnovers:

Shares - total	NIS 9,715,000
Arrangement	NIS 1,404,000
Non-bank	NIS 8,311,000
Bonds - total	NIS 6,473,400
Index-linked	NIS 4,716,100
Dollar-linked	NIS 1,757,300
Treasury Bills	NIS 5,954,800

Share Movements:

Advances	107 (208)
Declines	12 (24)
of which 5%+	7 (9)
Declines	169 (78)
of which 5%+	50 (31)
"sell-off" only	2 (3)
Unchanged	112 (58)
Trading Halt	27 (38)

Bond Market Trends:

Index-linked	3% fully-linked	Mixed to 1%
--------------	-----------------	-------------

SELECTED PRICE QUOTATIONS

Name Price Volume % change

Commercial Banks	
(not part of "arrangement")	
Mitzi 1	5320 27 -0.1
General non-arr.	23750 50 +1.1
First Int'l	3500 838 -
FIBI	3885 2823 -1.5

Commercial Banks

(part of "arrangement")	
IDB	78510 311 +0.5
Union 0.1	58380 23 +0.4
Discount	99580 329 +0.4
Mitzi 1	32200 158 -
Hapoelim r	53205 27 +0.0
General A	138300 17 +0.5
Leumi 0.1	34010 115 +0.4
Fin. Trade	44820 -

Mortgage Banks

Leumi Mort. r	5170 294 -2.8
Dev. Mort.	1867 1589 -0.8
Mitzi 1	1999 641 -6.6
Mitzi 1 r	13600 183 -3.2
Meirav r	6008 50 -0.8

Financial Institutions

Agri. C.	58428 40 -
Ind. Dev. DD	71038 -
Cl. Lending 0.1	21200 158 -5.8
Aravit 0.1 r	929 271 -0.3
Hassneh r	288 46265 -0.7
Phoenix 0.1	730 720 -2.0
Hemdat r	6851 27 -
Menorah 1	2180 282 -1.4
Sahar r	4600 396 -2.1
Zion Hold. 1	9180 11 +0.6

Trade & Services

Meir Ezra	5545 b.o.2 +5.0
Supersol 2	9500 231 -1.8
Oleik r	3280 525 -1.5
Lightage	15200 30 -
Cold Storage	2021 356 -6.0
Dan Hotels	4650 630 -0.0
Yarden Hotel	3300 205 -
Hilton 1	16450 100 -1.5
Test 1	1700 224 -

Real Estate, Building and Agriculture

Azornim	688 7385 -0.4
Elion	477 9334 +0.4
Africa Int. 0.1	37351 38 +0.1
Dunkin	4620 488 +2.2
Prop. & Bldg.	2730 885 -1.8
Baystate 0.1	4140 183 -4.8
ILDC r	53350 330 -0.5
Rasco r	11650 392 -3.2
Mehadrin	7150 182 -
Hederaim	1075 1370 +0.9

Industrials

Dubek b	3470 300 -
Priz 1	1501 339 -1.9
Sunfront	8950 -
Elite	16120 170 -0.7
Adger	1253 10407 -
Arganair r	14100 207 -8.4
Delta G 1	2760 706 -1.8
Maquette 1	25300 116 -9.6
Eagle 1	12820 100 -
Schellaria	15000 124 +2.0
Rogovin	2880 526 -
Oran 0.1 r	9450 346 +0.6
Jan Can Co. 1	1910 7695 -
Zion Cable	2321 494 -
Pekker Steel	12311 582 -
Elbit	384500 10 +1.3

4.25% fully-linked

80% linked	Mixed to 0.5%
Double-linked	Mixed to 1%
Admon	Slight rise 1%
Rimon	Rises to 1.5%
Gilboa	Rises to 2%
For. Curr. dominated	Mixed to 1%
Treasury Bills (annual yield)	15.20-18.76%

Arrangement yields:

IDB ord.	15.94%
Union 0.1	15.38%
Discount A	16.29%
Mitzi 1 r.	16.11%
Hapoelim r.	16.07%
General A	15.75%
Leumi stock	16.11%
Fin. Trade 1	16.11%

Investment Companies

IDB Dev. r	3900 7822 +2.6
Elion	3300 3983 +1.2
Ani 1	294 s.o.1 -6.2
Gahat	1340 115 -0.8
Israel Corp. 1	8098 438 +0.6
Wolfson 1 r	112000 1 +0.9
Hapoelim Inv.	5120 882 -5.2
Leumi Invest.	no trading
Discount Invest.	2230 6529 -
Mitzi 1 Invest.	15100 47 -2.9
Cl. 10	840 2385 -0.2
Landeco 0.1	7400 24 +2.2
Pama 0.1	9500 77 +3.3

Oil Exploration

Paz Oil Expl.	14350 80 -0.3
J.O.E.L.	2019 3429 -

Abbreviations:

s.o. sellers only	b. buyer registered
b.o. buyers only	r. registered

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ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	5.9	7.14.5%	8-15.50%	8-18.25%
HAPOLIM	28.8	8-15%	10-15.50%	12-15.50%
DISCOUNT	12.8	8-15.50%	8-16%	10-19%
MIZRAHI	8.5	8-16%	6-15%	6-17%
FIRST INT'L	23.7	6-15%	7-17%	6-17%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES

	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.125	5.125	5.250
STG (£100,000 pounds)	8.625	8.375	8.375
DMK (100,000 marks)	3.625	3.625	3.625
SFR (50,000 francs)	3.250	3.250	3.250
YEN (3,000,000 yen)	3.125	3.000	3.125

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (September 9)

		TRANSFERS		BANKNOTES		Rep. Rates
		Buy	Sell	Buy	Sell	
Currency basket	1	1.4810	1.5000			1.4907
U.S.A. Dollar	1	1.4788	1.4972	1.45	1.52	1.4863
Deutschmark	1	0.7161	0.7250	0.70	0.74	0.7206
Pound Sterling	1	2.1987	2.2271	2.15	2.26	2.2132
French Franc	1	0.2191	0.2218	0.21	0.23	0.2206
Japanese Yen	100	0.00495	0.0053	0.83	0.86	0.9561
Dutch Guilder	1	0.5347	0.5426	0.52	0.55	0.5399
Swiss Franc	1	0.8771	0.8810	0.86	0.90	0.8837
Swedish Krona	1	0.2120	0.2156	0.21	0.22	0.2143
Norwegian Krone	1	0.2010	0.2035	0.20	0.21	0.2023
Danish Krona	1	0.7833	0.7917	0.77	0.80	0.7864
Finnish Markka	1	0.0993	0.1003	0.98	1.01	0.9915
Canadian Dollar	1	0.2665	0.2626	1.05	1.10	1.0782
Australian Dollar	1	0.9050	0.9163	0.85	0.94	0.9105
S. African Rand	1	0.1681	0.6258	0.40	0.48	0.8216
Belgian Franc	10	0.3424	0.3467	0.34	0.35	0.3480
Austrian Shilling	10	0.1778	0.1304	1.00	1.05	1.0243
Italian Lira	1000	1.0385	1.0514	1.01	1.07	1.0450
Jordanian Dinar	1	—	—	4.21	4.47	4.2417
Egyptian Pound	1	—	—	0.78	0.83	0.8111
		1.5089	1.5256			1.5167

Gaza's not so bright side

Meron Benvenisti

THE Gaza Strip Survey, written for the West Bank Data Base Project by Sara M. Roy, a community development researcher at Harvard University, has stirred a heated debate and sharp reactions. David Krivine's angry rebuttal (*The Jerusalem Post*, September 5) is the latest in a chain of reactions, ranging from expressions of dismay and shame to slanderous accusations that the study constitutes a pay-off to hostile organizations (a euphemism for the PLO) which provided the funds.

Faced with such public reactions, the occupation authorities could not maintain their usual attitude of ignoring our work in the hope that lack of response would kill the story. This time, official spokesmen went on record labeling the study as "worse than lies" and "sheer gall."

Two press tours and two "fact-finding" trips to Gaza were organized. My written demands (supported by Knesset members) to appear before the relevant Knesset sub-committee remained unanswered.

The denial of the basic right to defend oneself is perhaps an accepted norm in political life. It is a totally unacceptable journalistic norm. Krivine, during his research for the article, found time for only one five-minute telephone conversation. During our brief exchange, his main concern was not substantive, but rather editorial.

He objected to our references to Arab sources. For him, the testimony of the head of the Gaza Citrus

Association and a spokesman for the Gaza fishermen are *ipso facto* distorted and hostile. According to Krivine, absolute truth lies only with the Israeli bureaucracy. A critical review of their activities is "stigmatizing" and "destructive." His rebuttal is based firmly on these premises.

INDEED, Israeli spokesmen provided him with good, often accurate, answers. The problem is that the questions were not so good. For example, consider the issue of U.S. Aid funds. Roy states that "about half of the funds allocated [by the U.S. Congress] actually reach the indigenous communities." Her argument, which is fully documented in my own study, *U.S. Funded Projects 1977-1983*, is that only half of the proposed projects receive approval, or that approval is withheld for a lengthy period. Consequently, only half of U.S. allocated funds are actually used.

Krivine, in haste to expose Roy's bias, ignores the argument. He asks instead: "Who grabs the other half?" and adds that "no reader of the book will doubt that it can only be the Israelis" who steal the money. He is relying, of course, on the fact that most of his readers have never read the book.

He puts his own fantastic charge to the authorities, and they correctly state that it is absurd. Equipped with a convenient answer to a costly question, he can now prove Roy's bias and "destructive tone."

This technique serves the article well, and quite convincingly, one must admit. It is impossible to analyze here other matters contested in the article, but I must address myself

to what it calls "the most serious accusation," which is "that Israel seizes Gaza tax money for its purposes."

Here, his technique fails, because he is totally unfamiliar with the complex arrangements governing public finances in Gaza, and its monetary relationship with Israel. The result is a jumble of irrelevant queries, which produce equally irrelevant answers.

THE AUTHORITIES, fully acquainted with our argument concerning the "occupation tax" and are unable to refute it, I shall restate our argument.

The Military Government's budget is a "closed system," all income from taxes and imposts collected in the region being used for its activities. The deficit (one third of the regular and development budget in 1986/87 (an amount of \$17.5 million), is made up from the budget of the Israeli government coming from the *Keren Hanikuyim* (Deduction Fund), which is no other than the sums deducted at source from Gaza labourers employed in Israel.

There seems to be sufficient money in the Deduction Fund to cover the entire deficit, otherwise other sources would have been mentioned. So, the authorities confirm, by their own admission, that the Gaza Strip, with its 520,000 inhabitants does not cost the Israeli taxpayer one single agora.

But that is not all. We can prove that Gaza actually contributes substantial sums to Israeli public consumption, a form of payment that can be termed "occupation tax." This "nefarious result" (using Krivine's language) can be substantiated by referring again to official

Israeli figures. It should be recalled that for statistical purposes, Gaza (and the West Bank) are treated as though they constituted a "national economy," independent of Israel's national accounts.

In the "balance of payments" of Gaza, as published by the Central Bureau of Statistics and the Bank of Israel, there appears an item, "Government transfers," debit and credit. The "transfers" show the deficit of the Military Government paid by the Israeli government (debit) less "deductions" collected from Gazans employed in Israel (credit). Since the late 1970s, net transfers (credit minus debit) were negative, i.e., "deductions" exceeded Israeli payments.

In 1982, net transfers from Gaza to Israel were (in old shekels) 97.1 million, in 1983, 447m., and in 1984, 762m. (according to the Bank of Israel's reports on the territories).

According to our estimates, the net direct transfers from Gaza to Israel will reach \$7.5 million in the fiscal year 1986/87.

BUT THIS is only half the story. What about indirect taxation? In 1984, residents of Gaza purchased in Israel industrial products worth \$221.3 million (not including subsidized agricultural products worth \$35.5m.). On these products, Gazans paid, VAT alone (Israeli not local Gaza VAT, Mr. Krivine!), some \$33m. We must deduct from that subsidies on Israeli foodstuffs (bread, milk, etc.) consumed by Gazans, which amount to some \$13m. Net indirect fiscal revenues therefore would reach some \$20m.

In other words, if the Israeli

Treasury is to lose the Gaza market and Gaza labourers, it would lose indirect and direct revenues amounting to \$25m.-\$27.5m. a year. Multiply that figure by the years of occupation, and the size of the "occupation tax" reaches the staggering figure of at least \$300m.

Nefarious, indeed, considering the lack of basic amenities, the stagnant economy, the miserable living conditions of over half a million human beings. How hollow are the statements that lack of development is caused by "budgetary constraints"; how cynical is the accusation voiced by the coordinator of activities, Mr. Shmuel Goren, that the "international community refuses to assist the residents of Gaza."

And if all those calculations are wrong, why is it that the Israeli government, despite repeated demands, refuses to release figures on the funds accumulated in the Deduction Fund during the two decades of occupation?

There is no brighter side of Gaza, no matter how much people try to appease their conscience. The situation is beyond shame.

Sara Roy, in the conclusion to her study, says: "That serious and adverse processes exist inside the Gaza Strip is unequivocal... Economic and political realities are easy to define; the facts speak for themselves. Moral realities, which are not as susceptible to quantification, are often more difficult to determine and are no less profound. Ironically, perhaps, it may be the morality to which humanity ascribes that ultimately contains the solutions to the very problem it alone can inspire." She should be listened to, not contemptuously dismissed.

Madrid and Jerusalem

THE FIERCE condemnation of "recent and savage acts of terrorism" sounded by Spain's foreign minister, Francisco Fernandez Ordonez, on arrival here yesterday was not just a diplomatic gesture aimed at pleasing his Israeli hosts. Terrorism, as Mr. Ordonez pointed out, "affects all of us" and not least Spain itself.

Indeed, one of the areas in which Spain and Israel have, according to press reports, lately stepped up their collaboration is in combating the scourge of terrorism, which is Basque in its origin in the one case and Palestinian in the other.

Such collaboration is strictly technical in nature. Differences in the political assessment of Palestinian terrorism persist: they are attested to by the fact that last March Spain granted diplomatic status to the PLO mission in Madrid. This was viewed at the time as payoff to the Arabs for Spain's establishment of diplomatic ties with Israel two months earlier, and it did not come as a particular surprise.

The real surprise, even to the Spanish themselves, must have been the realization how weak the real threat of Arab reprisals was for that exercise of Spain's sovereign rights.

In any case, in the eyes of Felipe Gonzalez's socialist government there is no contradiction between blasting the attempt by Palestinians to blow up an El Al airliner due to take off from Madrid airport, and acceptance of the right of the Palestinians to self-determination and recognition of the PLO as their spokesman. Such attitudes, however, now represent a European consensus, and Mr. Gonzalez has, if anything, greatly accelerated the process of Spain's Europeanization and Westernization.

This has, by and large, been to Israel's advantage, even if it brings the two countries on occasion into conflict. It was the replacement of "Third Worldist" Francisco Moran by the Western-oriented Mr. Ordonez as foreign minister last year that made it possible for Mr. Gonzalez to carry out his long-standing pledge to openly join hands with Israel across the Mediterranean Sea.

The emphasis during Mr. Ordonez's three-day stay in this country was thus to be not on what divides Spain and Israel but on what unites them after 40 years of diplomatic separation—a separation originally instigated by the newly-established Jewish state itself, but continued with a vengeance by the Franco regime and regrettably maintained, until last January, by the post-Franco democracy; not to speak of the 500-year gulf marked by memories of a cruel banishment.

The purpose of this first visit by a Spanish foreign minister to Israel is to raise the level of the political dialogue between the two like-minded democracies, and to formulate policies and set up a joint machinery to flesh out their many-faceted bilateral relationship.

It will not necessarily be clear sailing. The competition between Spanish and Israeli farmers for Europe's markets remains stiff, and now that it is a fully-fledged EEC member Spain is also able to block the cementing of ties between countries such as Israel and the EEC as a tactical means of extracting preferential treatment for its own Canary Islands.

But of far greater importance are the now significantly increased opportunities for mutually beneficial economic and cultural exchange.

The prospects are pleasing, and it should not take long for the protracted isolation of Spain and Israel from one another to seem a mere historical aberration.

Party on the Potomac

FINANCE MINISTER Moshe Nissim is leaving for Washington, and talks with the U.S. administration, tomorrow. Defence Minister Yitzhak Rabin is already there talking to opposite numbers on bilateral issues in his field, and Prime Minister Shimon Peres is due to fly to the U.S. next week as well.

All of them, but perhaps most particularly Mr. Nissim, will have the plain words of the U.S. ambassador to Israel, Thomas Pickering, ringing in their ears.

Speaking on the record on Monday, Mr. Pickering went out of his way to reaffirm what has been communicated to the Israeli government privately many times over recent months: that the \$1.5 billion in emergency aid received in 1985/86 was indeed a one-time measure, that extra aid to spur growth in the Israeli economy would not be forthcoming, and that, under the budgetary exigencies the U.S. finds itself in, the basic aid grant of \$3 billion was the best Israel could hope for in the coming year and beyond.

Mr. Pickering also reiterated the sentiments expressed in the now-famous letter from Secretary of State George Shultz to Mr. Peres, to the effect that the U.S. has its own ideas on what Israel needs to do to move from economic stagnation to growth, primarily centring on reforms in the tax system and capital market and a general reduction in the role of the government in the economy. Now, said Mr. Pickering, his government was waiting to hear and discuss Israel's own ideas on these topics.

Part of the Israeli answer was delivered yesterday when the finance minister and some of his aides laid before the Knesset Committee charged with evaluating the reforms proposed by the Bejski Commission, a wide-ranging set of proposals under which the government would gradually withdraw from the capital market, thereby allowing private firms access to investors' money. These general promises, however, have been made often enough: what the Americans, and indeed the Israeli public as well, want to know is the detailed when and how, not just whether and if.

It would seem, though, that the joint planning of the Treasury and the Bank of Israel in this area is far advanced. It so happens that the talks between the Israeli and American governments will immediately precede the annual meetings of the IMF and the World Bank, also being held in Washington this year. Mr. Nissim will stay on for this moneyman's jamboree, as will his director-general, Emmanuel Sharon. They will be joined by Bank of Israel Governor Michael Bruno, and some of his aides, as well as by the chairmen and managing-directors of Banks Leumi and Hapoalim.

In short, the policy-makers and implementers of the Israeli economy will be able to touch base with Mr. Shultz and his advisers on the Israeli economy. Professors Herbert Stein and Stanley Fischer, and then seek the resources needed for growth from the international banking community, among whom Israel's standing has vastly improved over the last 18 months, and who are looking for reliable borrowers to lend their excess funds to.

The elements of a possible economic policy package, including a revamped Israeli domestic capital market, continued American support in shouldering the defence burden, and access to the international markets, have emerged from the progress the economy has made over the last year. If there is an opportunity to weld them together in Washington this month, it should be seized, because economic, political and strategic circumstances may not be so propitiously aligned again.

Shabbat not the time to shop

Martha Meisels

IT USED to be said that archeology was Israel's national sport. Now, apparently, it is shopping. There are no statistics to prove it, but the general suspicion is that the average Israeli tourist in Europe spends far more hours in Marks & Spencer than in the British Museum, and more in Galeries Lafayette than in the Louvre.

There are those who are trying to convince us that shopping is a legitimate pastime of choice for the traditional day of rest — no different from watching a soccer match. I, for one, would certainly rather go on a shopping spree than to a soccer game. But that does not alter the distinction between a recreational and a commercial activity — a distinction which has been blurred in recent

days by those who would defend the right of Kibbutz Nir Elihu to operate a flea market on the Jewish day of rest.

Shopping may be fun or it may be drudgery. The fact remains that shopping is basically a commercial activity with the sole aim of acquiring goods in exchange for money. Whether the process is pleasurable or painful makes not the slightest difference. A market-place is a market-place is a market-place.

The question must be whether or not Israeli society wants to turn the traditional Jewish Sabbath into a commercial free-for-all. Some argue that a kibbutz is a private home, and its residents have a right to do what they want in their home, and invite whomever they want to join in that activity.

This is an arguable point. I cannot decide to open a commercial business in my Tel Aviv home on Satur-

day. There are municipal by-laws to prevent this, and these by-laws must be compatible with national laws which govern permitted and non-permitted work on the Sabbath. Certainly there are permits for special types of commerce deemed to be primarily leisure activities (such as night-clubs, restaurants, sports facilities) and for some of their supporting installations, such as petrol stations on the highways.

TO OPEN the door, however, to purely commercial activity for the sale of goods, even foodstuffs, would be a mistake. It would become increasingly difficult to restrict this to the kibbutzim, the moshavim, and shopkeepers in towns and cities would scream "unfair competition" — and rightly so. If a secular majority in any town decided to permit Saturday shopping, it would be very hard

for the national government to say "no" if the same is permitted in rural Jewish communities.

It would not take long before it would be difficult to distinguish between the Sabbath and other days of the week in the world's only Jewish state. I wonder how many of us, religious or irreligious, want this to happen?

And if it happens in commerce, what about industry? There would always be people "willing" to work on Saturday — either for overtime pay, or instead of another day off. What's wrong with that? After all, it happens unavoidably to people engaged in an already essential or accepted "Shabbat-work occupation," be it nursing or taxi-driving, radio or tourism — or soccer-playing.

Proponents of Shabbat shopping idealize a scene of happy families going out to market together on Saturdays; they do not picture those families whose domestic Shabbat would be disrupted by members working on the selling end of the scene.

THERE IS, of course, a further factor. Not all citizens of the State of Israel, and not all residents of the Land of Israel, have Saturday as their traditional day of rest. Our large Moslem population and sizable Christian population are legitimately free to conduct business on the Jewish Sabbath in areas where they constitute the main groupings, and they are expected to close on Fridays or Sundays as appropriate.

Granted, this creates an automatic internal competition to Jewish stores which are shut on Saturday. But that is the nature of the mixed community in which we live. The very existence of non-Jewish markets on Saturdays actually provides an escape valve for those Jewish Israelis who feel they must have a shopping excursion on Shabbat.

Don't get me wrong. I am not anti-shopping. Far from it, or I wouldn't have chosen "Marketing with Martha" as my speciality at *The Jerusalem Post*. But there is a time for everything — even shopping — and Shabbat is not it.

SUMMIT

(Continued from Page One)
be the end of the world." Officials from both sides commented that if it does take place, it would probably be void of the substantive discussions that both sides had intended.

The long day of uncertainty had started at 8:00 a.m. when Israeli and Egyptian negotiators met for what the Israelis considered the final and crucial session of the talks. The Egyptians were supposed to have brought their final answer to Israel's proposals made the night before. Israel had suggested that the area of dispute be narrowed to around 60 metres and had informed the Egyptians that this was Israel's "absolute red line."

But instead of bringing answer to the conference room at the Mena House hotel, the Egyptian delegation again said that more talks were necessary before anything could be made final on the placement of marker number 91.

As one Israeli negotiator described it to *The Post* later, "It was like being back at square one again. It was clear that the time had come to end the charade."

After consultation, the Israeli delegation decided to request a meeting with Foreign Minister Maguid. The Egyptian negotiating team, it was assessed, was determined to block any resolution of the problem, probably on the orders of presidential adviser Osama el-Baz, known to be adamantly opposed to the summit.

It was thus decided, in a last-ditch effort to salvage the negotiations, to appeal to President Mubarak through the foreign minister, thus circumventing el-Baz.

"The negotiating process," *The*

Post was told by one Israeli participant, "had become degrading. It was as if we were on our knees begging for a summit. Brinksmanship was absolutely necessary, otherwise we would have been here for another 10 days with nothing resolved."

Benny Morris adds from Jerusalem:

There was also optimism in Jerusalem last night that the Israeli-Egyptian negotiations would end with agreement.

An alternative would be a summit immediately after Peres's return from the U.S.

Yesterday morning, with no progress registered in the Cairo talks and with no sign of flexibility by the Egyptians, Peres instructed his delegates to return home on the evening Cairo-Tel Aviv flight. The Prime Minister's Office made sure that news of the instruction was published immediately.

The message was apparently clearly received and understood in Egypt: Israel's patience was running out.

As seen from Jerusalem, the Egyptians then backpedalled and issued conciliatory noises, with the Israeli negotiators invited to further talks with Maguid and Nabil el-Araby.

During the afternoon, after a telephone conversation between Peres and the director-general of the Prime Minister's Office, Avraham Tamir, in Cairo, in which Tamir apparently said that the Egyptians were indicating flexibility and that there was a good chance of wrapping things up during the evening, Peres rescinded his "return home" order, and the delegates resumed the negotiation.

ACCORD

(Continued from Page One)
are strongly resisting it. The opponents fear a negative reaction from the Arab world, the officials said.

In an interview published yesterday in *The Wall Street Journal* Abu Ghazala said that the stability of the Middle East depends more on problems resulting from the Iran-Iraq war and Libya than from the Arab-Israeli conflict.

Abu Ghazala, considered the second most powerful figure in Egypt after President Mubarak, said that Libyan leader Muammar Gaddafi is re-emerging as strong and threatening as ever. He likened Gaddafi to a Beduin in a sandstorm. "What does a Beduin do when there is a sandstorm? He bends over until it passes and then stands up strong as ever," he said.

Abu Ghazala said Egypt is taking Gaddafi's threats seriously. "I do believe the threats he is making,"

MARKING

(Continued from Page One)
within a 70-square-metre area. That area Israel seeks to demarcate and mark with "polygons" (multi-sided markers).

Egypt, however, believes that both countries, in demarcating their claims, must mark them with single-point markers. Egypt feels that defining a relatively large area vaguely within which the point should be would give Israel an advantage when the arbitrators come to consider where the border should run.

The American mediating team in Cairo, led by U.S. Assistant Secretary of State Richard Murphy, proposed a compromise formula, in which Israel would be allowed to mark the "approximate location" of where the border marker should be, apparently within a smaller area than the 70 square metres proposed originally by Israel but wider than a single-point marker.

READERS' LETTERS

THE LESSONS OF HELSINKI

To the Editor of *The Jerusalem Post*: Sir, — In his article of August 28, "The three lessons of Helsinki," Mikhail Agursky asserts that the Soviet Union is unable to negotiate because the factions within the Politburo block each other. Naturally, Agursky, (as well as some other so-called Sovietologists), doesn't divulge what those factions are and what they stand for because he does not know. His deliberations on this matter are frivolous at best. He writes, for instance, that a few days after Gorbachev had mentioned at a press conference the possibility of restoring diplomatic relations with Israel, a provincial Soviet paper published an anti-Israeli article. Every one who follows closely Soviet-Israeli relations knows that similar declarations have been repeatedly made by Soviet leaders and media since 1967, while virulent anti-Israeli items incessantly appear in the Soviet Union.

Mr. Agursky holds that the negotiations were in fact aborted. Were they really? How can he support this assertion? He insists that current Soviet leadership is ineffective and incapable of negotiating. The writer suggests that Israel and other countries as well should abandon the idea of negotiating with the USSR at present and simply wait for the change of leadership! Evidently he is ready to wait indefinitely. It is unlikely though that he will find a sympathizer among the political leaders anywhere.

As the "third lesson of Helsinki,"

THE HEBREW UNIVERSITY FORUM

To the Editor of *The Jerusalem Post*: Sir, — Martha Saul took great pains not to name names in her letter of September 2, but there was no mistaking her reference to the Hebrew University Forum which holds a lecture in English every Monday evening.

The Forum is co-sponsored by the Centre for Conservative Judaism and the Martin Duber Institute of the Hebrew University. The Forum, for more than 15 years, has provided the opportunity for distinguished speakers of expertise to speak on a wide assortment of subjects of interest to

Agursky claims that, under no circumstances, should Israel be involved in the issue of Soviet Jewry. In an attempt to substantiate his demand, he once again asserts that were it not for Soviet intervention, the Arab-Israeli conflict would have been settled long ago. Mikhail Agursky has obviously forgotten that this conflict started many years before Soviet intervention. He maintains that any improvement in Soviet-Israeli relations will promote our security considerably. But what did we get from normal relations with the USSR before the Six Day War?

Mr. Agursky says that emigration of Jews from the USSR is of no concern to Israel because 75-80 per cent of the emigrants would be dropouts. Is he unaware of the fact that out of 250,000 Jews who left the USSR in the last 15 years, 160,000 (Mr. Agursky included) are presently citizens of Israel? The level of dropouts in the future will be affected by numerous factors, for instance, by the eventual existence of direct Moscow-Tel Aviv flights.


The writer claims that the large Jewish emigration of the 70's did not depend on external pressure. Just the opposite! The aliyah activities in the USSR, combined with pressure from Jews all over the world, compelled the U.S. administration to put this issue on the agenda of detente and the Soviets to accept it. The situation is the same today.

Incomprehensible and appalling is

Agursky's remark that "the real physical threat to Jewish lives is not in the USSR but here in Israel." He is referring to the ex-Soviet citizens who fell in the Lebanon war. No doubt the Soviet media will relish this statement.

Mr. Agursky seems to ignore that Zionism is a movement of the entire Jewish people and not only of those living in Israel and that concern with the fate of Jews everywhere is the essential duty of this country, its *raison d'être*. There are currently in the USSR almost a thousand Russian Jews who were given Israeli citizenship and their number is increasing. After we sacrificed so much to free three POW's, we can't abandon them and scores of Zionists interned in Soviet hard labour camps. It is inconceivable to discuss only the registered refuseniks, for there are tens of thousands of people who don't qualify for this status only because the authorities won't accept their applications.

GRIGORI KANOVICH
Kibbutz Sasa.



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